

DELHI VOLUNTEER FIRE DEPARTMENT, INC.

*Financial Statements*  
*For the Year Ended December 31, 2019*

DELHI VOLUNTEER FIRE DEPARTMENT, INC.  
DELHI, LOUISIANA

FOR THE YEAR ENDED DECEMBER 31, 2019

INDEX

Independent Accountants' Review Report -----	1
Required Supplemental Information (Part A)	
Management's Discussion and Analysis -----	2-4

Financial Statements

Government-Wide Financial Statements:	
Statement of Net Assets -----	5
Statement of Activities -----	6

Fund Financial Statements:

    Governmental Funds:

Balance Sheet -----	7
Reconciliation of the Governmental Funds Balance Sheet to the Government –Wide Financial Statement of Net Assets -----	7
Statement of Revenues, Expenditures, and Changes in Fund Balance -----	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities -----	8

Notes to Financial Statements-----	9-15
------------------------------------	------

Required Supplemental Information (Part B)	
Schedule I – Budget Comparison Schedule -----	16-17

Other Supplemental Schedules

Schedule II - Schedule of Compensation paid to Elected Officials -----	18
--	----

Compliance Reporting

Independent Accountant's Report on Applying Agreed-Upon Procedures -----	19-22
Current Year Findings, Recommendations, and Corrective Action Plan -----	23
Status of Prior Period Findings -----	24
Louisiana Attestation Questionnaire -----	25-27

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Mr. David Hale, President  
Delhi Volunteer Fire Department, Inc.  
Delhi, Louisiana

I have reviewed the accompanying financial statements of the governmental activities of the Delhi Volunteer Fire Department, Inc., as of December 31, 2019, which collectively comprise the 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 the Department's 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, I 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 financial statements that are free from material misstatement whether due to fraud or error.

**Accountant's Responsibility**

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

**Accountant's Conclusion**

Based on my review, I am 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**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the representation of management. I have not audited or reviewed such required supplementary information and, accordingly, I do not express an opinion, conclusion, nor provide any assurance on it.

Mr. David Hale, President  
Delhi Volunteer Fire Department, Inc.  
Delhi, Louisiana

*Other Supplementary Information*

The other supplementary information is presented for purposes of additional analysis and also is not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am 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. I have not audited the other supplementary information and, accordingly, I do not express an opinion on such information.

**Report on Agreed-Upon Procedures**

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated May 21, 2020, on the results of the agreed-upon procedures.

*David M. Hartl, CPA (APAC)*

West Monroe, Louisiana  
May 21, 2020

**REQUIRED SUPPLEMENTAL INFORMATION (PART A)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DELHI VOLUNTEER FIRE DEPARTMENT, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

Our discussion and analysis of the Delhi Volunteer Fire Department, Inc. (the Department) financial statements provides an overview of its activities for the year ended December 31, 2019. Please read it in conjunction with the Department's financial statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Department as a whole.

**Reporting the Department as a Whole**

**The Statement of Net Position and the Statement of Activities**

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Department's net position and changes in them. The Department's net position (the difference between assets and liabilities) measure the Department's financial position. Increases or decreases in the Department's net position are an indicator of whether its financial position is improving or not.

**The Department as a Whole**

For the years ended December 31, 2019 net position changed as follows:

	2019	2018
Beginning net position	\$(179,115)	\$( 119,236)
Decrease in net position	( 81,220)	( 59,879)
Ending net position	\$(260,335)	\$(179,115)

## The Department's Funds

The following schedule presents a summary of revenues and expenses for the years ended December 31, 2019 and 2018:

Revenues	2019	Percent of Total	2018	Percent of Total
Sales Taxes	\$324,396	84.33%	\$322,377	53.01%
Insurance Rebate	11,714	3.04%	11,833	2.07%
Sales of Assets	-	-	77,500	13.52%
Grants & Contributions	48,572	12.63%	179,904	31.40%
Total Revenues	\$384,682	100.00%	\$591,654	100.00%

Expenditures	2019	Percent of Total	2018	Percent of Total
Public Safety – Fire Protection	\$474,575	100.00%	\$651,493	100.00%

## BUDGETARY HIGHLIGHTS

The Department's total revenues in 2019 were within 5% of the final budgeted revenue. Actual expenditures in 2019 were also within 5% of the budgeted amounts.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At December 31, 2019, the Department had \$1,435,489 invested in capital assets (\$495,837 net of accumulated depreciation) including machinery and equipment and vehicles.

Assets	December 31, 2018	Additions	Disposals	December 31, 2019
Autos & Equipment	\$ 1,360,388	\$50,101	-	\$ 1,410,489
Buildings	25,000	-	-	25,000
Total at historical cost	1,385,388	50,101	-	1,435,489
Less: Accumulated Depreciation:				
Autos & Equipment	(668,498)	(268,349)	-	(936,847)
Buildings	(2,164)	(641)	-	(2,805)
Capital assets, net	\$ 714,726	\$(218,889)	-	\$ 495,837

## **Debt**

At year end, the Department had \$941,252 in long-term obligations. Additional information about the Department's debt is presented in Note 6 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Department's revenues are derived mainly from sales taxes and a variety of grants and state fire insurance rebates. The Department is not aware of any significant increases or decreases in those revenues sources or associated expenditures but in light of the current economic volatility, the Department must continue to monitor its limited resources to fit the needs of the citizens of The Town of Delhi, Louisiana and be aware of other funding opportunities that may present themselves.

## **CONTACTING THE DEPARTMENT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Department's finances and to show the Department's accountability for the funds received by it. If you have any questions about this report or need additional financial information, contact:

Gina Jones, Treasurer  
Post Office Box 216  
Delhi, LA 71232



**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

DELHI VOLUNTEER FIRE DEPARTMENT, INC.  
STATEMENT OF NET POSITION  
DECEMBER 31, 2019

	<u>Governmental Activities</u>
<i><u>Assets</u></i>	
Cash and Cash Equivalents	\$ 183,335
Capital Assets:	
Depreciable	495,837
	679,172
 <i><u>Deferred Outflows of Resources</u></i>	
Prepaid Expense	3,779
Total Assets	682,951
 <i><u>Liabilities</u></i>	
Accounts Payable	2,034
Long-Term Liabilities	
Due Within One Year	70,699
Due in More than One Year	870,553
Total Liabilities	943,286
 <i><u>Net Position</u></i>	
Net Investment in Capital Assets	495,837
Net Position - Unrestricted	(756,172)
Total Net Position	\$ (260,335)

The accompanying notes are an integral part of this financial statement.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities Public Safety	\$ 474,575	\$ -	\$ 48,572	\$ -	\$ (426,003)

General Revenues:	
Sales Taxes	324,396
Sales of Assets	-
Insurance Rebate	11,714
Miscellaneous	8,673
Total General Revenues	344,783
Changes in Net Position	(81,220)
Net Position - Beginning	(179,115)
NET POSITION - ENDING	\$ (260,335)

The accompanying notes are an integral part of this financial statement.

**FUND FINANCIAL STATEMENTS**

DELHI VOLUNTEER FIRE DEPARTMENT, INC.  
BALANCE SHEET, GOVERNMENTAL FUNDS  
DECEMBER 31, 2019

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 183,335
Prepaid Expense	3,779

<u>TOTAL ASSETS</u>	\$ 187,114
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LIABILITIES AND FUND BALANCE

Liabilities

Accounts Payable	\$ -
Payroll Taxes Payable	2,034
Total Liabilities	2,034

Fund Balance

Unassigned	185,080
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<u>TOTAL LIABILITIES AND FUND BALANCE</u>	\$ 187,114
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**Reconciliation of the Balance Sheet of the Governmental Funds  
to the Statement of Net Position**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance, Governmental Funds:	\$ 185,080
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental Assets	1,435,489	
Less Accumulated Depreciation	(939,652)	
	495,837	

Long-term liabilities, including capital leases payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	(941,252)
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Net Position of Governmental Activities	\$ (260,335)
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The accompanying notes are an integral part of this financial statement.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Operating Revenue</u>	
Sales Tax Revenue	\$ 324,396
Grant Income	48,572
State Fire Insurance Rebate	11,714
Miscellaneous	8,673
Total Operating Revenue	<u>393,355</u>
 <u>Operating Expenses</u>	
Wages	58,207
Volunteer Incentives	11,850
Repairs and Maintenance	13,025
Supplies Used in Operations	2,759
Public Awareness and Education	196
Volunteer Travel/Mileage Reimbursement	474
Internet & Website Expense	2,727
Volunteer Service Awards	51
Computer/Camera/Copier Expense	6,202
Fuel, Oil, Grease	2,914
Insurance	22,073
Utilities	3,399
Uniforms & Safety Equipment	5,282
Dues, Fees & Publications	2,870
Office Supplies & Postage	1,041
Debt Service	106,061
Legal and Accounting	8,975
Audit and Review	8,000
Capital Outlay	50,101
Training	11,890
Payroll Tax Expense	5,103
Miscellaneous Tools	629
Total Operating Expenses	<u>323,829</u>
 <u>Change in Fund Balance</u>	 69,526
 <u>Fund Balance - Beginning of the Year</u>	 <u>115,554</u>
 <u>FUND BALANCE - END OF THE YEAR</u>	 <u>\$ 185,080</u>

The accompanying notes are an integral part of this financial statement.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities**

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

Net change in fund balances - total governmental funds \$ 69,526

Governmental funds report capital outlays as expenditures,  
however, in the statement of activities, the cost of those  
assets is depreciated over their estimated useful lives.

Expenditures for capital assets	50,101	
Less current year depreciation	<u>(268,990)</u>	(218,889)

Loan proceeds provide current financial resources to governmental funds,  
but issuing debt increases long-term liabilities in the statement of net  
assets. -

Repayment of principal in an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position		<u>68,143</u>
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Changes in net position of governmental activities		<u><u>\$ (81,220)</u></u>
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The accompanying notes are an integral part of this financial statement.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.  
DELHI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

INTRODUCTION

Delhi Volunteer Fire Department, Inc. (the Department) was created April 26, 2002, for the purpose of purchasing and maintaining fire equipment and providing fire protection for the people included in the Town of Delhi, Louisiana. The Department is governed by a board of officers consisting of eight members. The Department has two employees.

The Department is exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Note 1 - Summary of Significant Accounting Policies

A. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of Activities) report information on all of the nonfiduciary activities of the Department. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported 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 the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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



DELHI VOLUNTEER FIRE DEPARTMENT, INC.  
DELHI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1 - Summary of Significant Accounting Policies - Continued

Sales taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund. The Department has no proprietary fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

C. CASH AND CASH EQUIVALENTS

The Department's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Department's investment policy allow the entity to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

D. RECEIVABLES AND PAYABLES

Receivables for sales taxes and grants are shown at their full amount. There is no allowance for uncollectible accounts.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.  
DELHI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1 - Summary of Significant Accounting Policies - Continued

E. CAPITAL ASSETS

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Department maintains a threshold level of \$5,000 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 assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No construction occurred during the current fiscal year.

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

<u>Description</u>	<u>Estimated Useful Lives</u>
Buildings	40 Years
Autos and Equipment	5-10 Years

F. COMPENSATED ABSENCES

The Department is operated by two full time employees and volunteers and therefore has a policy for compensated absences of five days of paid time off after six months of employment for full time employees only.

G. 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.

H. FUND EQUITY

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.  
DELHI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1 - Summary of Significant Accounting Policies - Continued

H. FUND EQUITY (continued)

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

*Restricted Fund Balance* – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Commissioners – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Commissioners removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned Fund Balance* – This classification reflects the amounts constrained by the Department’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned Fund Balance* – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

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

I. ESTIMATES

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

DELHI VOLUNTEER FIRE DEPARTMENT, INC.  
DELHI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 2 - Stewardship, Compliance, and Accountability

*Budget Information:* Preliminary budgets for the ensuing year are prepared by the treasurer during November of each year. During November, the Board reviews the proposed budget and makes changes as it deems appropriate. The budget is then adopted during the December meeting. All annual appropriations lapse at year end. Encumbrance accounting is not used by the Department. Budgeted amounts included in the accompanying financial statements include the original adopted budget and one amendment for the year ended December 31, 2019.

Note 3 - Cash and Cash Equivalents

*Custodial Credit Risk – deposits.* The custodial credit risk is the risk that in the event of a bank failure, the Department’s deposits may not be returned to it. The Department’s policy to ensure there is no exposure to this risk is to require the financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Accordingly, the Department had no custodial credit risk related to its deposits at December 31, 2019.

The Department has cash and cash equivalents (book balances) totaling \$183,335 at December 31, 2019 as follows:

Demand Deposits	\$ 183,335
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These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must 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. Cash and cash equivalents (bank balances) at December 31, 2019, are secured as follows:

Bank Balances	\$ 191,130
FDIC Insurance	250,000
Pledged Collateral	_____ -
Uninsured Amount	\$ _____ -

Note 4 - Accounts Receivable

At December 31, 2019, the Department had no accounts receivable.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.  
DELHI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 5 - Property, Plant and Equipment

Capital asset activity for the year ended December 31, 2019 and 2018 is as follows:

	December 31, 2018			December 31, 2019
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Depreciable Assets:				
Autos & Equipment	\$1,360,388	\$ 50,101	\$ -	\$1,410,489
Buildings	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Totals at Historical Cost	1,385,388	50,101	-	1,435,489
Less Accumulated Depreciation for:				
Autos & Equipment	( 668,498)	( 268,349)	-	( 936,847)
Buildings	<u>( 2,164)</u>	<u>( 641)</u>	<u>-</u>	<u>( 2,805)</u>
Total Accumulated Depreciation	<u>( 670,662)</u>	<u>( 268,990)</u>	<u>-</u>	<u>( 939,652)</u>
<u>CAPITAL ASSETS, NET</u>	<u>\$ 714,726</u>	<u>\$( 218,889)</u>	<u>\$ -</u>	<u>\$ 495,837</u>

Depreciation expense was \$268,990 in 2019.

Note 6 - Long-Term Obligations

The following is a summary of long-term obligations for the year ended December 31, 2019:

	<u>Capital Purchase</u>
Balance at December 31, 2018	\$1,009,395
Additions	-
Reductions	<u>( 68,143)</u>
<u>BALANCE AT DECEMBER 31, 2019</u>	<u>\$ 941,252</u>

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term obligations as of December 31, 2019:

	<u>Capital Purchase</u>
Current Portion	\$ 70,699
Long-Term Portion	<u>870,553</u>
<u>Total</u>	<u>\$ 941,252</u>

Long-term obligation at December 31, 2019 in the amount of \$941,252 consists of one lease/purchase agreement with Republic First National that was subsequently sold to local banks. The agreements were for the purchase of 2 fire trucks.

The obligations have maturities from 2019 until 2030 and have an interest rate of 4.0%. Interest expense for 2019 was \$37,861 and is included in public safety expenses. Principal and interest payable in the next fiscal year are \$70,699 and \$35,305, respectively.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.  
DELHI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 6 - Long-Term Obligations (continued)

All principal and interest requirements are funded in accordance with Louisiana law by the sales tax collected and are due as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 70,699	\$ 35,305	\$ 106,004
2021	73,351	32,653	106,004
2022	76,102	29,602	106,004
2023	78,957	27,047	106,004
2024	81,918	24,086	106,004
2025-2029	458,052	71,968	530,020
2030	102,172	3,832	106,004

Note 7- Subsequent Events

Subsequent events have been evaluated through May 21, 2020, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

Note 8 - FEMA Grant

During the year, the Department received FEMA grant funds in the amount of 48,572 for the purchase of a compressor. All funds were expended during the year.

**REQUIRED SUPPLEMENTAL INFORMATION (PART B)**  
**BUDGETARY COMPARISON SCHEDULES**

DELHI VOLUNTEER FIRE DEPARTMENT, INC.  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET TO ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019

*Required Supplemental Information*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget</u> <u>Over(Under)</u>
<b>Revenues</b>				
Taxes:				
Sales Tax	\$ 324,396	\$ 324,396	\$ 324,396	\$ -
Intergovernmental revenues:				
Grant Income	60,000	48,572	48,572	-
Fire Insurance rebates	12,000	11,714	11,714	-
Other Income	600	8,673	8,673	-
Total Revenues	<u>396,996</u>	<u>393,355</u>	<u>393,355</u>	<u>-</u>
<b>Expenditures</b>				
Wages	50,000	58,200	58,207	(7)
Volunteer Incentive Payments	17,000	11,850	11,850	-
Repairs and Maintenance	18,000	13,010	13,025	(15)
Supplies Used in Operations	2,600	2,486	2,759	(273)
Fire Prevention Awareness Day	3,500	196	196	-
Volunteer Travel/Mileage Reimbursement	1,000	475	474	1
Internet & Website Expense	3,300	2,535	2,727	(192)
Taxes and License			-	-
Volunteer Service Awards	200	51	51	-
Computer/Camera/Copier Expense	8,500	6,200	6,202	(2)
Fuel, Oil, Grease	3,500	2,900	2,914	(14)
Insurance	28,000	22,000	22,073	(73)
Utilities	4,000	3,400	3,399	1
Telephone	960		-	-
Uniforms and Safety Equipment	15,000	5,352	5,282	70
Dues, Fees & Publications	4,500	3,143	2,870	273
Office Supplies & Postage	600	1,037	1,041	(4)
Debt Service	106,004	106,061	106,061	-
Legal and Accounting	10,000	8,975	8,975	-
Audit and Review	7,500	8,000	8,000	-
Capital Outlay	98,500	50,101	50,101	-
Grant Dedicated Purchases	-	-	-	-
Training	10,000	12,000	11,890	110
Payroll Tax Expense	3,825	5,147	5,103	44
Miscellaneous Tools	500	629	629	-
Total Expenditures	<u>396,989</u>	<u>323,748</u>	<u>323,829</u>	<u>(81)</u>
<b>Net Change in Fund Balance</b>	<b>7</b>	<b>69,607</b>	<b>69,526</b>	<b>(81)</b>
<b>Fund Balance at Beginning of Year (Restated)</b>	<u>115,554</u>	<u>115,554</u>	<u>115,554</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 115,561</u>	<u>\$ 185,161</u>	<u>\$ 185,080</u>	<u>\$ (81)</u>

The accompanying notes are an integral part of this financial statement.



DELHI VOLUNTARY FIRE DEPARTMENT, INC.  
NOTES TO BUDGET COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2019

Preliminary budgets for the ensuing year are prepared by the secretary-treasurer during November of each year. During November, the Board reviews the proposed budget and makes changes as it deems appropriate. The budget is then adopted during the December meeting. All annual appropriations lapse at year end. Encumbrance accounting is not used by the Department. Budgeted amounts included in the accompanying financial statements include the original adopted budget and one amendment for the year ended December 31, 2019.

**OTHER SUPPLEMENTAL SCHEDULES**

**Schedule II**

DELHI VOLUNTEER FIRE DEPARTMENT, INC.  
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS  
AND OTHER PAYMENTS TO AGENCY HEAD,  
POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2019

Name	Office	Reimbursements	Accounting Fees	Volunteer Per Diems	Salary
David Hale	President	-	-	810	-
Ken Hall	Fire Chief	330	-	1,720	868
Micah Duchesne	Vice President	45	-	1,790	44,322
Vernon Bruce, Jr	Director	-	-	700	21,517
Gina Jones	Sec/Treasurer	115	10,475	-	-
Michael Ford, Sr	Director	-	-	940	-
Clayton Cooper	Director	-	-	765	-

## **COMPLIANCE REPORTING**

INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES

Mr. David Hale, President  
Delhi Volunteer Fire Department, Inc. and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Delhi Volunteer Fire Department, Inc. and the Louisiana Legislative Auditor (the specified parties), on the Department's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Department's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

*Public Bid Law*

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$157,700. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

One expenditure was made during the year for materials and supplies exceeding \$30,000, and no expenditures were made for public works exceeding \$157,700. The expenditure is in accordance with state law.

*Code of Ethics for Public Officials and Public Employees*

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided me with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided me with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

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

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

### *Budgeting*

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

Management provided me with a copy of the original budget. Management represented that there was one amendment to the budget during the year.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

I traced adoption of the original budget to documentation in the minutes of the meeting of the Department's commissioners held on November 8, 2018. Management represented that there was one amendment to the budget during the year.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

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

### *Accounting and Reporting*

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

- (a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

- (b) Report whether the six disbursements were coded to the correct fund and general ledger account.

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

- (c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Of the six payments tested, all had the signature of the person approving payment.

### *Meetings*

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Management represented that the Department is only required to post a notice of each meeting and the accompanying agenda on the door of the Department's office building. The Department complied with this requirement.

*Debt*

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

I scanned copies of all bank deposit slips for the fiscal year, and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

*Advances and Bonuses*

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

I scanned payroll disbursements and read the meeting minutes of the Department's board of commissioners for the fiscal year. I found no payments or approval for payments to employees that would constitute bonuses, advances, or gifts.

*State Audit Law*

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Department's report was submitted timely.

14. Inquire of management and report whether the agency entered 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).

Management represented that the Department entered into no contracts during the fiscal year that was subject to the public bid law.

*Prior-Year Comments*

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

My prior year report, dated May 29, 2019, did include suggestions, exceptions, recommendations, and comments, one of which was resolved and the other is still applicable due to cost/benefit constrictions.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Department's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

Delhi Volunteer Fire Department, Inc.  
Page 4

The purpose of this report is solely to describe the scope of testing performed on the Department's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

West Monroe, Louisiana  
May 21, 2020

*David M. Sautt, CPA (SPAC)*



DELHI VOLUNTEER FIRE DEPARTMENT, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Section I - Financial Statement Findings

No findings were reported under this section.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Section I - Financial Statement Findings

No findings were reported under this section.

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

Dear Chief Executive Officer:

Attached is the Louisiana Attestation Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of the review/attestation engagement of Louisiana government agencies. Upon completion, the questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting. Independently elected governmental officials should sign the document, in lieu of such a resolution.

The completed attestation questionnaire and a copy of the adoption instrument, if appropriate, **must be given to the independent certified public accountant at the beginning of the engagement.** The CPA will, during the course of his engagement, perform certain agreed-upon procedures to the responses in the questionnaire. It is not necessary to return the questionnaire to my office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the CPA during the course of his engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor

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

May 11, 2020 (Date Transmitted)

David M. Hartt, CPA (APAC)  
PO Box 1332  
West Monroe, LA 71294

In connection with your review of our financial statements as of December 31, 2019 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 May 11, 2020

**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 [X] 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 [X] No [ ]

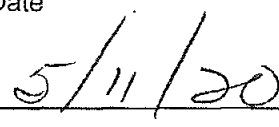
We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

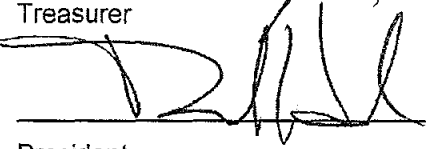
We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our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

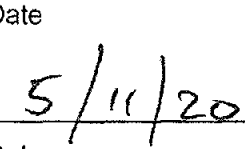
  
\_\_\_\_\_  
Secretary

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Treasurer

  
\_\_\_\_\_  
Date

  
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President

  
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Date