

FIRE PROTECTION DISTRICT NO.1
OF THE PARISH OF ACADIA,
STATE OF LOUISIANA

COMPILED FINANCIAL REPORT

DECEMBER 31, 2019



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VIGE, TUJAGUE & NOEL
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2ND STREET
P. O. BOX 1006
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.
FRANK G. TUJAGUE, C.P.A.
DOMINIQUE M. NOEL, C.P.A.

TELEPHONE:
337-457-9324
FAX:
337-457-8743

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Commissioners
Fire Protection District No. 1 of
Acadia Parish, State of Louisiana
Branch, Louisiana

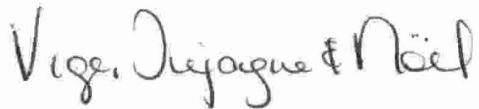
Management is responsible for the accompanying financial statements of the governmental activities of Fire Protection District No. 1 of Acadia Parish, State of Louisiana, a component unit of Acadia Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the representation of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be

an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to our compilation engagement, but we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.



Vige, Tujague & Noël
Eunice, Louisiana
June 10, 2020

BASIC FINANCIAL STATEMENTS

The Fire Protection District No. 1 of Acadia Parish, State of Louisiana's basic financial statements comprises the following three components.

Government-wide financial statements – provides readers with a broad overview of Fire Protection District No. 1 of Acadia Parish, State of Louisiana's finances in a manner similar to a private sector business.

Fund financial statements – provides readers information with an emphasis on inflows and outflows of resources useful for making decisions in a budgetary context where the focus is on meeting near-term financial needs.

Notes to basic financial statements – provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2019

ASSETS

| | |
|---------------------------------|----------------|
| Current assets: | |
| Cash | \$ 115,867 |
| Receivables (net of allowances) | |
| Property tax | 123,252 |
| Total current assets | <u>239,119</u> |
| Noncurrent assets: | |
| Capital assets, net | 105,883 |
| Total non-current assets | <u>105,883</u> |
| Total assets | <u>345,002</u> |

LIABILITIES

| | |
|---------------------------------------|----------------|
| Current liabilities: | |
| Accounts payable and accrued expenses | 394 |
| Interest payable | 431 |
| Current portion of bonds payable | 24,000 |
| Total current liabilities | <u>24,825</u> |
| Noncurrent liabilities: | |
| Bonds payable | 188,000 |
| Total noncurrent liabilities | <u>188,000</u> |
| Total liabilities | <u>212,825</u> |

NET POSITION

| | |
|--|-------------------|
| Invested in capital assets, net of related debt | (106,117) |
| Unrestricted | 238,294 |
| Total net position | <u>\$ 132,177</u> |

See accompanying notes and accountant's report.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

| | | Program Revenue | | Net (Expenses) Revenues and Change in Net Position |
|----------------------------------|------------|-------------------------|-----------------------------------|---|
| | Expenses | Charges for Services | Capital and Operating Grant | Governmental Activities |
| Governmental Activities: | | | | |
| General Government | | | | |
| Public safety | \$ 142,592 | \$ - | \$ - | \$ (142,592) |
| Interest | 5,510 | - | - | (5,510) |
| | | | | |
| Total Governmental Activities | \$ 148,102 | \$ - | \$ - | (148,102) |
| General Revenues: | | | | |
| | | | | 123,032 |
| | | | | 342 |
| | | | | 123,374 |
| | | | | (24,728) |
| | | | | 156,905 |
| | | | | \$ 132,177 |

See accompanying notes and accountant's report.

FUND FINANCIAL STATEMENTS (FFS)

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA
BALANCE SHEET
DECEMBER 31, 2019

| ASSETS | |
|-------------------------------------|--------------------------|
| Cash in bank | \$ 115,867 |
| Property taxes receivable, net | <u>123,252</u> |
| Total assets | <u><u>\$ 239,119</u></u> |
| | |
| LIABILITIES AND FUND BALANCES | |
| | |
| Deferred inflows of resources: | |
| Unavailable revenues | <u>\$ 9,166</u> |
| Total deferred inflows of resources | <u>9,166</u> |
| | |
| Liabilities: | |
| Accounts payable | <u>394</u> |
| Total liabilities | <u><u>394</u></u> |
| | |
| Fund balances: | |
| Unassigned | <u>229,559</u> |
| Total fund balances | <u><u>229,559</u></u> |
| | |
| Total liabilities and fund balances | <u><u>\$ 239,119</u></u> |

See accompanying notes and accountant's report.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

| | |
|--|--------------------------|
| Total fund balance for governmental funds at December 31, 2019 | \$ 229,559 |
| Total net position reported for governmental activities in the statement of net position are different because: | |
| <p>The statement of net position reports receivables at their net value. However, receivables not available to pay for current period expenditures are deferred in governmental funds.</p> | |
| Property tax | 9,166 |
| <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:</p> | |
| Equipment net of \$842,689 accumulated depreciation | 105,883 |
| Long-term liabilities at December 31, 2019 | |
| Bonds payable | (212,000) |
| Interest payable on bonds | <u>(431)</u> |
| Total net position of governmental activities at December 31, 2019 | <u><u>\$ 132,177</u></u> |

See accompanying notes and accountant's report.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>General Fund</u> |
|--|---------------------|
| Revenues: | |
| Property tax | \$ 127,104 |
| Interest | 342 |
| Total revenues | <u>127,446</u> |
| Expenditures: | |
| Current: | |
| Vehicle expense | 24,202 |
| Supplies/Repairs | 5,711 |
| Insurance | 19,379 |
| Professional fees | 5,200 |
| Miscellaneous | 4,475 |
| Debt service | |
| Principal | 22,000 |
| Interest | 5,558 |
| Total expenditures | <u>86,525</u> |
| Excess (deficiency) of revenues over expenditures | 40,921 |
| Fund balance, beginning | <u>188,638</u> |
| Fund balance, ending | <u>\$ 229,559</u> |

See accompanying notes and accountant's report.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

| | | |
|---|-----------------|--------------------|
| Total net change in fund balance for the year ended December 31, 2019 per Statements of Revenues, Expenditures and Changes in Fund Balances | | \$ 40,921 |
| The change in net position reported for governmental activities in the Statement of Activities is different because: | | |
| Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received. | | |
| Property Tax | | (4,072) |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | | |
| Capital outlay which is considered expenditures on the Statements of Revenues, Expenditures, and Changes in Fund Balances | \$ - | |
| Depreciation expense for the years ended December 31, 2019 | <u>(83,625)</u> | (83,625) |
| Bond principal retirement considered an expenditure on the Statement of Revenues, Expenditures, and Changes in Fund Balances | | 22,000 |
| Accrued interest payable at December 31, 2019 | | <u>48</u> |
| Total changes in net position for the year ended December 31, 2019 per Statement of Activities | | <u>\$ (24,728)</u> |

See accompanying notes and accountant's report.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The accounting and reporting practices of the Fire Protection District No. 1 of the Parish of Acadia, State of Louisiana conform to generally accepted accounting principles of the United States of America as applicable to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants. The following is a summary of certain significant accounting policies:

Reporting entity:

The Fire Protection District No. 1 of the Parish of Acadia, State of Louisiana is a component unit of the Acadia Parish Police Jury. The District was established to provide fire protection for the residents of the District.

Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the Fire Protection District No. 1 of the Parish of Acadia, State of Louisiana as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods and services offered by the programs, and (b) requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Fund Financial Statement:

The District 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 related to certain government functions or activities. A fund is a separate accounting entity with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate.

The general fund, a governmental fund type, is the general operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in other funds.

The debt service fund, a governmental fund type, is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs. The debt service fund is established to meet requirements of bond ordinances, if applicable.

Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as described below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Basis of Accounting

In the government-wide statement of net position and statements of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Fees and non tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Available means collectible within the current period or soon enough thereafter to pay current liabilities, usually 60 days.

Those revenues susceptible to accrual are ad valorem taxes.

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Uncollectible ad valorem taxes are estimated based on the prior year's history.

Program Revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's revenues.

Allocation of indirect expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

functions are not allocated to these functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Use of estimates in the preparation of financial statements:

The preparation of financial statements in conformity with United States generally accepted accounting principles 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 revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Concentration of Risks

Concentration of risks with respect to the District is subject to the conditions of the limited geographical area of the District.

Budgets:

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to January 1, the Chairman submits to the Board a proposed operating budget for the ensuing year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through the passage of a resolution; amendments are also legally enacted through the passage of a resolution.
4. The budget for the general fund is adopted on a fund financial statement basis.
5. The budget for the general fund is employed as a management control device during the year.

All budget appropriations lapse at year end. Revenues may not legally fall short of budgeted

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

amounts by more than five percent and expenditures may not legally exceed budgeted appropriations by more than five percent at the individual fund level. The District does not use encumbrance accounting.

The budget amounts disclosed in this report are as originally adopted and amended by the Board.

Cash and Cash Equivalents

Cash includes amounts in demand deposit, interest-bearing demand, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Interest-bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

Allowances for Uncollectibles

All receivables that historically represent uncollectible accounts are shown net of an allowance for uncollectible. The allowance for uncollectible accounts in the general fund is estimated at \$0.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activity column in the government-wide financial statements. All purchased fixed assets are valued at cost or estimated historical cost. The amounts of estimated costs are immaterial to these financial statements. Donated fixed assets are stated at their fair market value on the date donated.

The District maintains a threshold level of \$300 or more for capitalizing capital assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The range of estimated useful lives by type of assets is as follows:

| | |
|-----------|--------------|
| Building | 40 years |
| Equipment | 5 - 20 years |

Net Position and Fund Equity

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

Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists 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 provisions or enabling legislation.

Unrestricted net position – All other net positions that do not meet the definition of “restricted; or “invested in capital assets, net of related debt.”

When both restricted and unrestricted net positions are available for use, it is the District’s policy to use restricted resources first.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

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.

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

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

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 fire district's board – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the district board 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 district's "intent" to be used for specific purposes but are neither restricted nor committed. The fire district's board has 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 sources (the total of committed, assigned, and unassigned fund balance) are available for use, it is the District's policy to use restricted resources first. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Revenues, Expenditures, and Expenses

Program Revenues

Program revenues consist of taxes, fees, fines, and charges for services related to governmental fund activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character

In the fund financial statements, governmental funds report expenditures of financial resources.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Note 2. Cash and Interest-Bearing Deposits

The cash and cash equivalents of the Fire Protection District No. 1 of Acadia are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits. 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 or exceed 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank has failed to pay deposited funds upon demand. Further Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

Bank account balances at December 31, 2019, totaled \$116,106, and of this amount \$250,000 was secured by FDIC Insurance.

Note 3. Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District in May or June and are actually billed to the taxpayers in the latter part

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA

Notes to Financial Statements

Note 3. Ad Valorem Taxes

of the fiscal year. Billed taxes become delinquent on January 1 of the following year and January and February of the ensuing year. The following is a summary of the levied ad valorem taxes.

| | |
|----------------------------|------------------------|
| General corporate purpose | |
| Operations and maintenance | <u>3.000 and 4.830</u> |

All accounts and property tax receivables are shown net of any allowance for uncollectible accounts. Property taxes receivable for the governmental fund types, which have been remitted within 60 days subsequent to year-end, are considered measurable and available and recognized as revenues. All other property taxes are offset by deferred property tax inflows of resources and, accordingly, have not been recorded as revenue.

Note 4. Capital Assets

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

| | Balance 12/31/2018 | Additions | Deletions | Balance 12/31/2019 |
|--------------------------------|-----------------------|-------------|-----------|-----------------------|
| Governmental Activities | | | | |
| Buildings | \$ 86,631 | \$ - | \$ - | \$ 86,631 |
| Equipment | 861,941 | - | - | 861,941 |
| Totals | 948,572 | - | - | 948,572 |
| Less accumulated depreciation | | | | |
| Buildings | 39,951 | 2,166 | - | 42,117 |
| Equipment | 719,113 | 81,459 | - | 800,572 |
| Total accumulated depreciation | 759,064 | 83,625 | - | 842,689 |
| Governmental Activities | | | | |
| Capital assets, net | \$ 189,508 | \$ (83,625) | \$ - | \$ 105,883 |

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA

Notes to Financial Statements

Note 5. General Obligation Bonds

Changes in bonds payable are as follows:

| | Balances at January 1, 2019 | Additions | Retirements | Balances at December 31, 2019 | Balances Due Within One Year |
|--------------------|-----------------------------------|-----------|-------------|-------------------------------------|------------------------------------|
| 2015 Bonds Payable | \$ 234,000 | \$ - | \$ 22,000 | \$ 212,000 | \$ 24,000 |

The District had an election May 26, 2015, which provided for issuance of \$300,000 of Public Improvement Bonds, Series 2015. These bonds are payable over a twelve (12) year period with the final payment due on June 1, 2027. These bonds carry a variable rate of interest, from 1.3125% to 2.625%. Annual debt service requirements to maturity for these bonds are as follows:

| Year Ending December 31, | Interest Payments | Principal Payments | Total |
|-----------------------------|----------------------|-----------------------|-------------------|
| 2020 | \$ 5,152 | \$ 24,000 | \$ 29,152 |
| 2021 | 4,607 | 25,000 | 29,607 |
| 2022 | 3,951 | 25,000 | 28,951 |
| 2023 | 3,281 | 26,000 | 29,281 |
| 2024 | 2,586 | 27,000 | 29,586 |
| 2024-2027 | 3,374 | 85,000 | 88,374 |
| | <u>\$ 22,951</u> | <u>\$ 212,000</u> | <u>\$ 234,951</u> |

Bond proceeds are to be used to purchase equipment.

This Bond and the issue of which it forms a part constitute general obligations of the Issuer, and the full faith and credit of the Issuer is pledged for the payment of this Bond and the issue of which it forms a part. Said Bonds are secured by a special ad valorem tax to be imposed and collected annually in excess of all other taxes on all property subject to such taxation within the territorial limits of the Issuer, under the Constitution and laws of Louisiana, sufficient in amount to pay the principal of this Bond and the issue of which it forms a part and the interest thereon as they severally mature.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA

Notes to Financial Statements

Note 6. Compensation Paid to Board Members

The Board Members serve on a voluntary basis; therefore, no compensation has been paid to any member.

Note 7. Accounting Pronouncements

The Government Accounting Standards Board (GASB) has issued the following Statements which will become effective in futures years as shown below:

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for fiscal year 2021. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*" improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The Statement clarifies which liabilities governments would include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for fiscal year 2019. Management has not yet determined the effect of this Statement on the financial statements.

Note 8. Subsequent Events

The District has evaluated subsequent events through June 10, 2020, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance- Favorable (Unfavorable)</u> |
|--|----------------------------|-------------------------|-------------------|--|
| Revenues: | | | | |
| Property tax | \$120,000 | \$118,211 | \$ 127,104 | \$ 8,893 |
| Interest | - | 300 | 342 | 42 |
| Total revenues | <u>120,000</u> | <u>118,511</u> | <u>127,446</u> | <u>8,935</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Vehicle expense | 33,300 | 25,450 | 24,202 | 1,248 |
| Supplies/Repairs | 7,600 | 5,116 | 5,711 | (595) |
| Insurance | 19,500 | 19,379 | 19,379 | - |
| Professional fees | 5,300 | 5,200 | 5,200 | - |
| Miscellaneous | 2,314 | 4,374 | 4,475 | (101) |
| Principle retirement | 22,000 | 22,000 | 22,000 | - |
| Interest paid | 6,000 | 3,000 | 5,558 | (2,558) |
| Total expenditures | <u>96,014</u> | <u>84,519</u> | <u>86,525</u> | <u>(2,006)</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ 23,986</u> | <u>\$ 33,992</u> | 40,921 | <u>\$ 6,929</u> |
| Fund balance, beginning | | | <u>188,638</u> | |
| Fund balance, ending | | | <u>\$ 229,559</u> | |

See accompanying notes and accountant's report.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA

Notes to Budgetary Comparison Schedules

(1) Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

(2) Budgetary Practices

The District prepares and adopts a budget in accordance with LSA – RS 39:1301 et seq. The annual budget for the General Fund is prepared in accordance with the basis of accounting used by that fund.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are performed.

(3) Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations: The following individual fund had actual expenditures in excess of appropriations for the year ended December 31, 2019:

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Excess</u> |
|--------------|----------------------------|-------------------------|------------------|-----------------|
| General Fund | <u>\$ 96,014</u> | <u>\$ 84,519</u> | <u>\$ 86,525</u> | <u>\$ 2,006</u> |

SUPPLEMENTARY INFORMATION

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
DECEMBER 31, 2019

Agency Head Name: Wendell Middlebrooks, President
Service Period: 12 months

| <u>Purpose</u> | <u>Amount</u> |
|----------------|---------------|
| Board per diem | \$ 0 |

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS AND CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2019

Current Findings:

There were no findings for the year ended December 31, 2019.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF
ACADIA, STATE OF LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2019

Finding 2018-001 Budget

Condition: Total budgeted revenues exceeded total actual revenues by greater than 5%.

Criteria: Louisiana Revised Statute 39:1310 states that the budget must be properly amended when total actual expenses exceed total budgeted expenses or budgeted revenues exceed actual by 5%.

Cause: The budget was not properly amended to account for the amount of revenue that was received.

Effect: Failure to properly amend the budget resulted in a variance beyond the 5% of budgeted revenues and results in noncompliance with budget laws.

Recommendation: We recommend that the Fire District make the necessary amendments to the budget prior to year end for changes in revenues and expenses.

Corrective Action Plan: The Fire District will make the necessary amendments to the budget prior to year end for changes in estimated revenues and expenses.

Status: This finding has been cleared.