

**MONTEREY FIRE PROTECTION
DISTRICT NO. 1**

**Component Unit of the
Concordia Parish Police Jury**

December 31, 2017

Monterey Fire Protection District No. 1
Monterey, Louisiana

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John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.
davidvercher@centurytel.net

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MEMBERS

American Institute of
Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REPORT

Monterey Fire Protection District No. 1
Monterey, Louisiana

We have reviewed the accompanying financial statements of the governmental activities of the Monterey Fire Protection District No. 1, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Monterey Fire Protection District No. 1. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

The management of the Monterey Fire Protection District No. 1 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 misstatement 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 AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) and budgetary comparison information 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the representation of management. We have not audited or reviewed such required supplementary information, and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

Other Information

The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

The Vercher Group

Jena, Louisiana
June 29, 2018

Monterey Fire Protection District No. 1

PO Box 335
Monterey, LA 71354

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the District, we offer readers of the Monterey Fire Protection District No. 1's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$334,490 (*net position*). Of this amount, \$120,276 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The District had total revenue of \$333,643, including general revenues of \$179,683 and other financial sources of \$153,960.
- The District had total expenses of \$312,294, in which all of it was public safety expenses.

See independent accountant's report.

MD&A

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The District is a special-purpose entity engaged only in governmental-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the District adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The District's annual report consists of financial statements that show information about the District's fund.

Our accountant has provided limited assurance in his independent accountant's report, located immediately preceding this Management's Discussion and Analysis. Varying degrees of assurance are being provided by the accountant regarding the other information included in this report. A user of this report should read the independent accountant's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

The District's financial statements provide detailed information about the most significant funds. The District may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The District's governmental fund uses the following accounting approach:

The general fund is the primary operating fund of the District. It accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the District's policy.

See independent accountant's report.

MD&A

Table 1
Balance Sheet

The following table represents a Comparative Balance Sheet as of December 31, 2017:

Assets	2016	2017	% Change
Current Assets	\$ 102,111	\$ 126,715	24.1
Capital Assets, Net	347,574	472,730	36.0
Total Assets	<u>449,685</u>	<u>599,445</u>	33.3
Liabilities & Net Position			
Current Liabilities	19,850	31,347	57.9
Non-Current Liabilities	88,160	233,608	164.9
Total Liabilities	<u>108,010</u>	<u>264,955</u>	145.3
Net Position			
Net Investment in Capital Assets (Net Related Debt)	242,748	214,214	-11.8
Unrestricted	98,927	120,276	21.6
Total Net Position	<u>341,675</u>	<u>334,490</u>	-2.1
Total Liabilities & Net Position	<u>\$ 449,685</u>	<u>\$ 599,445</u>	33.3

Table 2
Changes in Fund Balance

The following table represents the Comparative Statement of Revenues, Expenses, and Changes in Fund Balance for the year ended December 31, 2017:

	2016	2017	% Change
General Revenues	\$ 173,985	\$ 179,683	3.3
Other Financing Sources	-0-	153,960	100.0
Total Revenues	<u>173,985</u>	<u>333,643</u>	3.3
Public Safety	175,608	312,294	77.8
Other Financing Uses	-0-	-0-	0.0
Total Expenses	<u>175,608</u>	<u>312,294</u>	77.8
Increase (Decrease) in Fund Balance	<u>(1,623)</u>	<u>21,349</u>	141.5
Beginning Fund Balance	<u>100,550</u>	<u>98,927</u>	-1.6
Ending Fund Balance	<u>\$ 98,927</u>	<u>\$ 120,276</u>	21.6

See independent accountant's report.

MD&A

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2017, the District had \$472,730 invested in capital assets, including the fire station, machinery, and equipment.

Capital Assets at Year-End

	<u>2016</u>	<u>2017</u>
Fire Station, Machinery, & Equipment	\$ 871,686	\$ 1,073,355
Accumulated Depreciation	(524,112)	(600,625)
Total Capital Assets, Net	<u>\$ 347,574</u>	<u>\$ 472,730</u>

Long-term Debt

As of December 31, 2017, the District had outstanding long-term debt of \$258,516.

\$258,516 note payable due in annual installments of \$31,347 beginning January 15, 2018, interest at 3.95%	\$ <u>258,516</u>
	\$ <u>258,516</u>

The following is a summary of the long-term debt transactions of the Monterey Fire Protection District No. 1 for the year ended December 31, 2017:

Long-Term Debt, Beginning of Year	\$ 104,826
Debt issued during year	153,690
Debt retired during year	<u>-0-</u>
Balance at End of Year	<u>\$ 258,516</u>

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Jim Graves, Secretary/Treasurer, at the Monterey Fire Protection District No. 1, PO Box 335, Monterey, Louisiana 71354, telephone number (601) 334-1013.

Basic Financial Statements

Monterey Fire Protection District No. 1
Monterey, Louisiana
Statement of Net Position
December 31, 2017

		<u>GOVERNMENTAL FUNDS</u>
CURRENT ASSETS		
Cash & Cash Equivalents	\$	44,733
Accounts Receivable, Taxes		75,695
Accounts Receivable, Grants		6,287
TOTAL CURRENT ASSETS		<u>126,715</u>
NON-CURRENT ASSETS		
Capital Assets (Net of Accumulated Depreciation)		472,730
TOTAL NON-CURRENT ASSETS		<u>472,730</u>
TOTAL ASSETS		<u>599,445</u>
CURRENT LIABILITIES		
Accrued Liabilities		6,439
Notes Payable – Current Portion		24,908
TOTAL CURRENT LIABILITIES		<u>31,347</u>
NON-CURRENT LIABILITIES		
Notes Payable – Long-term Portion		233,608
TOTAL NON-CURRENT LIABILITIES		<u>233,608</u>
TOTAL LIABILITIES		<u>264,955</u>
NET POSITION		
Net Investment in Capital Assets (Net Related Debt)		214,214
Unrestricted		120,276
TOTAL NET POSITION	\$	<u>334,490</u>

See accompanying notes and independent accountant's review report.

Monterey Fire Protection District No. 1
Monterey, Louisiana
Statement of Activities
Year Ended December 31, 2017

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>CAPITAL GRANTS</u>	<u>GOVERNMENTAL ACTIVITIES</u>
Governmental Activities				
Public Safety	\$ (175,410)	\$ -0-	\$ 6,287	\$ (169,123)
Interest Expense	(11,458)	-0-	-0-	(11,458)
Total Government Activities	\$ (186,868)	\$ -0-	\$ 6,287	(180,581)

GENERAL REVENUES	
Ad Valorem Taxes	112,940
Parcel Fee Assessment	47,240
Interest Income	94
Other revenue	13,122
TOTAL GENERAL REVENUES	173,396
CHANGE IN NET ASSETS	(7,185)
NET POSITION – BEGINNING	341,675
NET POSITION – ENDING	\$ 334,490

See accompanying notes and independent accountant's review report.

Monterey Fire Protection District No. 1
Monterey, Louisiana
Balance Sheet
December 31, 2017

ASSETS	
Cash	\$ 44,733
Accounts Receivable, taxes and grants	<u>81,982</u>
TOTAL ASSETS	<u><u>126,715</u></u>
 LIABILITIES & FUND BALANCE	
Accrued liabilities	6,439
Unassigned Fund Balance	<u>120,276</u>
TOTAL LIABILITIES & FUND BALANCE	<u><u>\$ 126,715</u></u>

See accompanying notes and independent accountant's review report.

Monterey Fire Protection District No. 1
Monterey, Louisiana
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Position
Year Ended December 31, 2017

Total fund balance – governmental funds	\$	120,276
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Amounts reported for governmental activities in the statement of net position are different because:

Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Capital assets	1,073,355	
Less accumulated depreciation	<u>(600,625)</u>	
		472,730

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Notes Payable		<u>(258,516)</u>
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Net position of governmental activities	\$	<u>334,490</u>
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See accompanying notes and independent accountant's review report.

Monterey Fire Protection District No. 1
Monterey, Louisiana
Statement of Revenues, Expenditures, & Changes in Fund Balance
For the Year Ended December 31, 2017

REVENUES	
Ad Valorem Tax	\$ 112,940
Grants, State	6,287
Interest Income	94
Other Revenue	13,122
Parcel Fee Assessment	47,240
TOTAL REVENUES	<u>179,683</u>
 EXPENDITURES	
Public Safety – Fire:	
Operating Services	60,269
Capital Outlays	201,669
Debt Service	11,458
Professional Fees	29,015
Repairs & Maintenance	5,427
Miscellaneous Expense	4,456
TOTAL EXPENDITURES	<u>312,294</u>
 EXCESS REVENUES OVER (UNDER EXPENDITURES)	 (132,611)
 OTHER FINANCING SOURCES (USES)	
Loan Proceeds	153,960
TOTAL OTHER FINANCING SOURCES (USES)	<u>153,960</u>
 NET CHANGE IN FUND BALANCE	 21,349
 FUND BALANCE - BEGINNING	 <u>98,927</u>
FUND BALANCE - ENDING	\$ <u>120,276</u>

See accompanying notes and independent accountant's review report.

**Notes to the Basic Financial
Statements**

Monterey Fire Protection District No. 1
Monterey, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

Monterey Fire Protection District No. 1 was created by the Concordia Parish Police Jury by ordinance. The District operates in compliance with Part II, Title 40:1492-1502 of the Louisiana Revised Statutes. The Fire District is administered by a board of five commissioners who are appointed by the Concordia Parish Police Jury; the board is presently serving without compensation. The District had no full-time employees.

The purpose of the District is to provide fire protection. The District's boundaries are outside of the corporate limits of any municipality in Concordia Parish and outside the Concordia Fire Protection District No. 1.

For financial reporting purposes, the District is a component unit of the Concordia Parish Police Jury. The accompanying financial statements present financial information only on the funds maintained by Monterey Fire Protection District No. 1 and do not present information on the Police Jury and the general government services provided by that governmental unit or any of its other component units.

1. SUMMARY OF ORGANIZATION & SIGNIFICANT ACCOUNTING POLICIES

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government and its component units. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Monterey Fire Protection District No. 1
Monterey, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & 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.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accompanying general purpose financial statements have been prepared on the accrual basis (GAAP) of accounting.

1. Revenues

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February.

Interest income on investments is recorded when the investments have matured and the income is available.

Substantially all other revenues are recorded when received.

2. Expenditures

Purchase of equipment and supplies are recorded when the related fund liability is incurred.

The district reports the following governmental fund:

1. General Fund – the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in the other months.

D. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Monterey Fire Protection District No. 1
Monterey, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Restricted Net Position - Net position with constraints placed on their 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 position that does not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. The decision is typically made by management at the incurrence of the expense.

In the Fund Financial Statements, governmental fund equity is classified as a fund balance. The District has implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the purposes for which resources can be used:

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

E. DEPOSITS & INVESTMENTS

The District'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 District's investment policy allow the District to invest in collateralized certificate of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Monterey Fire Protection District No. 1
Monterey, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

F. RECEIVABLES

All receivables are shown net of an allowance for doubtful accounts.

G. 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. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 for capitalizing capital assets.

The costs 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. The total interest expense included during the current fiscal year was \$-0-. Of this amount, \$-0- was included as part of the cost of capital assets under construction in connection with construction projects.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings	30 years
Equipment	10 years

H. LONG-TERM OBLIGATIONS

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

Monterey Fire Protection District No. 1
Monterey, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

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.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government 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 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 Entity that the fiscal agent bank has failed to pay deposit 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 Entity's name.

At December 31, 2017, the District has cash and investments (bank balances) totaling \$57,527 and were as follows:

Cash	\$ 57,527
Investments	<u>-0-</u>
Total	<u>\$ 57,527</u>

These deposits are stated at cost, which approximated 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.

**Monterey Fire Protection District No. 1
Monterey, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Deposits

It is the District's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The District's deposits are categorized to give an indication of the level of risk assumed by the District at year end. The categories are described as follows:

- **Category 1** – Insured or collateralized with securities held by the District or by its agent in the District's name.
- **Category 2** – Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- **Category 3** – Uncollateralized.

Amounts on deposit are secured by the following pledges:

Description	Market Value
FDIC (Category 1)	\$ 57,527
Securities (Category 2)	-0-
Total	\$ 57,527

Deposits were fully secured as of December 31, 2017.

3. RECEIVABLES

The receivables as of December 31, 2017, were as follows:

Ad Valorem	\$ 75,695
Grant Receivable	6,287
Allowance for Bad Debt	-0-
Total Receivables, Net	\$ 81,982

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2017, for the primary government is as follows:

	Beginning of Period	Additions	Deletions Transfers	End of Period
Capital Assets:				
Buildings	\$ 168,784	\$ -0-	\$ -0-	\$ 168,784
Equipment	702,902	201,669	-0-	904,571
Total Capital Assets	871,686	201,669	-0-	1,073,355
Less Accumulated Depreciation:	(524,112)	(76,513)	-0-	(600,625)
Capital Assets, Net	\$ 347,574	\$ 125,156	\$ -0-	\$ 472,730

**Monterey Fire Protection District No. 1
Monterey, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

5. ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$31,347 at December 31, 2017, were as follows:

Accrued Liabilities (Interest Payable)	\$	6,439
Loans Payable – Current Portion		24,908
Total	\$	<u>31,347</u>

6. LONG-TERM OBLIGATIONS

At December 31, 2017, long-term debt was comprised of the following:

\$258,516 note payable due in annual installments of \$31,347 beginning January 15, 2018, interest at 3.95%	\$	<u>258,516</u>
	\$	<u>258,516</u>

The following is a summary of the long-term debt transactions of the Monterey Fire Protection District No. 1 for the year ended December 31, 2017:

Long-Term Debt, Beginning of Year	\$	104,826
Debt issued during year		153,690
Debt retired during year		-0-
Balance at End of Year	\$	<u>258,516</u>

The maturity schedule for the debt is as follows:

2018	\$	31,347
2019		31,347
2020		31,347
2021		31,347
2022		31,347
2023-2027		<u>156,735</u>
Total	\$	<u>313,470</u>

7. BOARD MEMBERS

Marilyn Book	President
W.R. Boyd	Vice President
Jim Graves	Secretary/Treasurer
Jeffery Paul	Board Member
Thomas Green	Board Member

Board members are paid \$0 per meeting when present.

Other Information

**Monterey Fire Protection District No. 1
Monterey, Louisiana**

**Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2017**

Monterey Fire Protection District No. 1
-Marilyn Book, President

Purpose	Amount
Salary	\$ -0-
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (List any other here)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	784
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

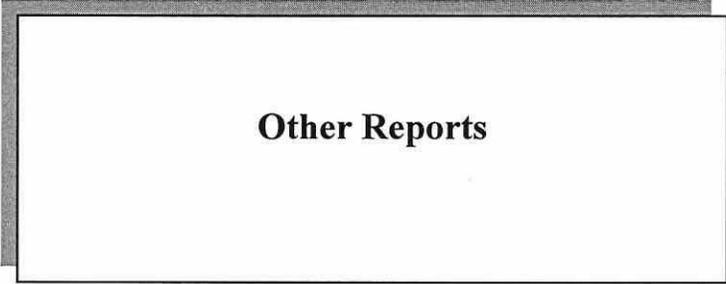
*An example of an un-vouchered expense would be a travel advance.

See independent accountant's report.

Monterey Fire Protection District No. 1
Monterey, Louisiana
Budgetary Comparison Schedule
Year Ended December 31, 2017

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES				
Ad Valorem Tax	\$ 103,000	\$ 103,000	\$ 112,940	\$ 9,940
Grants - state	9,000	9,000	6,287	(2,713)
Interest income	125	125	94	(31)
Parcel Fee Assessment	50,000	50,000	47,240	(2,760)
Other revenue	12,000	12,000	13,122	1,122
TOTAL REVENUES	<u>174,125</u>	<u>174,125</u>	<u>179,683</u>	<u>5,558</u>
EXPENDITURES				
Capital Purchases	322,500	322,500	201,669	120,831
Insurance	14,500	14,500	18,965	(4,465)
Auto Expense	3,500	3,500	3,095	405
Repairs & Maintenance	18,200	18,200	5,427	12,773
Supplies	25,000	25,000	26,404	(1,404)
Utilities	2,800	2,800	2,727	73
Professional Fees	10,000	10,000	29,015	(19,015)
Debt Service	20,200	20,200	11,458	8,742
Miscellaneous	3,725	3,725	13,534	(9,809)
TOTAL EXPENDITURES	<u>420,425</u>	<u>420,425</u>	<u>312,294</u>	<u>108,131</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(246,300)	(246,300)	(132,611)	113,689
OTHER FINANCING SOURCES (USES)				
Load Proceeds	313,470	313,470	153,960	(159,510)
TOTAL OTHER FINANCING SOURCES (USES)	<u>313,470</u>	<u>313,470</u>	<u>153,960</u>	<u>(159,510)</u>
NET CHANGE IN FUND BALANCE	\$ <u>67,170</u>	\$ <u>67,170</u>	21,349	\$ <u>(45,821)</u>
FUND BALANCE - BEGINNING			98,927	
FUND BALANCE - ENDING			\$ <u>120,276</u>	

See independent accountant's report.
The accompanying notes are an integral part of this statement.



Other Reports

John R. Vercher C.P.A.
jrvc@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.
davidvercher@centurytel.net

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

MANAGEMENT LETTER COMMENTS

During the course of our review, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the District's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

No comments.

**MONTEREY FIRE PROTECTION
DISTRICT NO. 1**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Monterey Fire Protection District No. 1, Monterey, Louisiana has provided the following action summaries relating to findings brought to their attention as a result of their financial compilation for the year ended December 31, 2016.

PRIOR YEAR FINDINGS

No Findings.

John R. Vercher C.P.A.
jrv@centurytel.net

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jonathanvercher@centurytel.net

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Monterey Fire Protection District No. 1

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Monterey Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Monterey Fire Protection District No. 1's compliance with certain laws and regulations during the year ended December 31, 2017, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with 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 the report. Consequently, we make no representation regarding the sufficiency of the procedures described below whether for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$154,450. 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.

*During our review of expenditures, we found no such expenditures.

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 us with the requested information.

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

*Management provided us with the requested information. The District does not have any employees.

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

*Not applicable.

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 us with a copy of the original budget and the amended budget.

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.

*We traced adoption of the original budget to documentation in the minutes of the meeting of the District.

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).

*The budget had a favorable revenue variance and a favorable expenditure variance.

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.

*We examined supporting documentation for the six selected documents and they all agreed.

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

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

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

*The selected disbursements were approved by the proper authorities.

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.

*Discussions with the secretary/treasurer and our review of the minutes found that the agendas for the meetings were posted.

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.

*No deposits that appear to be 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.

*We inspected payroll records and minutes for the year and noted no instances which would indicated payments to employees which would constitutes bonuses, advances, and gifts.

State Audit Law

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

*The District's report is due on June 30, 2018, and 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).

*The District did not enter into any contracts that utilize state funds.

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.

*There were no prior-year 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 management of the Monterey Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, 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.

The Vercher Group

Jena, Louisiana
June 29, 2018

Monterey Fire Protection District No. 1
LOUISIANA ATTESTATION QUESTIONNAIRE

The Vercher Group

A Professional Group of
Certified Public Accountants
P.O. Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

In connection with your review of our financial statements as of December 31, 2017, and for the year then ended, and as required by Louisiana Revised Statute 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 regulation 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 June 29, 2018, (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, 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 LSA-RS 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 LSA-RS 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

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 LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No []

We have had our financial statements reviewed in accordance with RS 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 financial officer.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

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 LSA-RS 39:1410.60.

Yes [] No []

Advances and Bonuses

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

Yes [] No []

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

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

Signed: 

Title: SEC. TREASURER