

DELHI VOLUNTEER FIRE DEPARTMENT, INC.

Financial Statements
For the Year Ended December 31, 2017

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
DELHI, LOUISIANA

FOR THE YEAR ENDED DECEMBER 31, 2017

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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 Delhi Volunteer Fire Department as of December 31, 2017, 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 designing, implementation and maintenance 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

My 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 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 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

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated May 15, 2018, on the results of the agreed-upon procedures.

My review was made for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis on pages 2-4 and the budgetary comparison information on page 17 are presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Other Information

The schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head, or chief executive officer, schedule of findings and corrective action plan and status of prior year findings on pages 17, 21 and 22, respectively, are not a required part of the basic financial statements but are supplementary information required by the Louisiana Governmental Audit Guide. 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. I have not audited or reviewed the supplementary information and accordingly, I do not express an opinion or provide any assurance on such supplementary information.

David M. Nault, CPA (APAC)

West Monroe, Louisiana
May 15, 2018

**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, 2017. 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, 2017, net position changed as follows:

	2017	2016
Beginning net position (Restated)	\$ 95,080	\$ 100,456
Decrease in net position	(195,587)	(11,627)
Ending net position	\$(100,507)	\$ 88,829

The Department's Funds

The following schedule presents a summary of revenues and expenses for the years ended December 31, 2017 and 2016:

Revenues	2017	Percent of Total	2016	Percent of Total
Sales Taxes	\$258,747	91.68%	\$314,698	90.91%
Insurance Rebate	18,729	6.64%	17,495	5.05%
Grants & Contributions	4,743	1.68%	13,959	4.04%
Total Revenues	\$282,219	100.00%	\$346,152	100.00%

Expenditures	2017	Percent of Total	2016	Percent of Total
Public Safety – Fire Protection	\$477,806	100.00%	\$357,779	100.00%

BUDGETARY HIGHLIGHTS

The Department's total revenues in 2017 were within 5% of the final budgeted revenue. Actual expenditures in 2017 were also within 5% of the budgeted amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2017, the Department had \$1,422,301 invested in capital assets (\$929,729 net of accumulated depreciation) including machinery and equipment and vehicles.

Assets	December 31, 2016	Additions	Disposals	December 31, 2017
Autos & Equipment	\$ 1,384,515	\$12,786	-	\$ 1,397,301
Buildings	25,000	-	-	25,000
Total at historical cost	1,409,515	12,786	-	1,422,301
Less: Accumulated Depreciation:				
Autos & Equipment	(231,298)	(259,751)	-	(491,049)
Buildings	(882)	(641)	-	(1,523)
Capital assets, net	\$ 1,177,335	\$(247,606)	-	\$ 929,729

Debt

At year end, the Department had \$1,075,075 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 property 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

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash and Cash Equivalents	\$ 46,135
Accounts Receivable	-
Capital Assets:	
Depreciable	<u>929,729</u>
Total Assets	<u>975,864</u>
<i>Liabilities</i>	
Accounts Payable	1,296
Long-Term Liabilities	
Due Within One Year	65,680
Due in More than One Year	1,009,395
Total Liabilities	<u>1,076,371</u>
<i>Net Position</i>	
Net Investment in Capital Assets	910,963
Net Position - Unrestricted	<u>(1,011,470)</u>
Total Net Position	<u><u>\$ (100,507)</u></u>

See accompanying notes and Independent Accountants' Review Report.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities					
Public Safety	\$ 477,806	\$ -	\$ -	\$ -	\$ (477,806)
			General Revenues:		
			Sales Taxes	258,747	
			Insurance Rebate	23,472	
			Total General Revenues	282,219	
			Changes in Net Position		(195,587)
			Net Position - Beginning (Restated)		95,080
			NET POSITION - ENDING		\$ (100,507)

See accompanying notes and Independent Accountants' Review Report.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
BALANCE SHEET, GOVERNMENTAL FUNDS
DECEMBER 31, 2017

ASSETS

<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 46,135
Accounts Receivable	-
<u>TOTAL ASSETS</u>	<u>\$ 46,135</u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts Payable	\$ -
Payroll Taxes Payable	1,296
Total Liabilities	<u>1,296</u>

Fund Balance

Unassigned	44,839
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<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 46,135</u>
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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:	\$ 44,839
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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	1,422,301	
Less Accumulated Depreciation	<u>(492,572)</u>	
		929,729

Long-term liabilities, including captial leases payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	<u>(1,075,075)</u>
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Net Position of Governmental Activities	<u>\$ (100,507)</u>
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See accompanying notes and Independent Accountants' Review Report.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Operating Revenue</u>	
Sales Tax Revenue	\$ 258,747
Miscellaneous	4,743
State Fire Insurance Rebate	18,729
Total Operating Revenue	<u>282,219</u>
 <u>Operating Expenses</u>	
Wages	39,263
Volunteer Incentives	16,100
Repairs and Maintenance	14,961
Supplies Used in Operations	2,422
Public Awareness and Education	1,908
Volunteer Travel/Mileage Reimbursement	3,201
Taxes & Licenses	153
Volunteer Service Awards	207
Computer/Camera/Copier Expense	11,624
Fuel, Oil, Grease	3,076
Insurance	24,223
Utilities	2,995
Telephone	3,255
Uniforms & Safety Equipment	20,537
Dues, Fees & Publications	2,312
Office Supplies & Postage	647
Debt Service	106,046
Legal and Accounting	9,138
Audit and Review	4,750
Capital Outlay	12,786
Training	10,215
Payroll Tax Expense	3,206
Miscellaneous Tools	480
Total Operating Expenses	<u>293,505</u>
 <u>Change in Fund Balance</u>	 (11,286)
 <u>Fund Balance - Beginning of the Year</u>	 <u>56,125</u>
 <u>FUND BALANCE - END OF THE YEAR</u>	 <u>\$ 44,839</u>

See accompanying notes and Independent Accountants' Review Report.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017 (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 \$ (11,286)

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	12,786	
Less current year depreciation	<u>(260,392)</u>	(247,606)

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>63,305</u>
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Changes in net position of governmental activities		<u><u>\$ (195,587)</u></u>
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See accompanying notes and Independent Accountants' Review Report.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
DELHI, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017

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, 2017

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, 2017

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, 2017

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 amendments for the year ended December 31, 2017.

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, 2017.

The Department has cash and cash equivalents (book balances) totaling \$46,135 at December 31, 2017 as follows:

Demand Deposits	\$ 46,135
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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, 2017, are secured as follows:

Bank Balances	\$ 48,062
FDIC Insurance	250,000
Pledged Collateral	<u> -</u>
Uninsured Amount	<u>\$ -</u>

Note 4 - Accounts Receivable

At December 31, 2017, the Department had no accounts receivable.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
DELHI, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 5 - Property, Plant and Equipment

Capital asset activity for the year ended December 31, 2017 and 2016 is as follows:

	December 31, 2016			December 31, 2017
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Depreciable Assets:				
Autos & Equipment	\$1,384,515	\$ 12,786	\$ -	\$1,397,301
Buildings	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Totals at Historical Cost	1,409,515	12,786	-	1,422,301
Less Accumulated Depreciation for:				
Autos & Equipment	(231,298)	(259,751)	-	(491,049)
Buildings	<u>(882)</u>	<u>(641)</u>	<u>-</u>	<u>(1,523)</u>
Total Accumulated Depreciation	<u>(232,180)</u>	<u>(260,392)</u>	<u>-</u>	<u>(492,572)</u>
<u>CAPITAL ASSETS, NET</u>	<u>\$1,177,335</u>	<u>\$(247,606)</u>	\$ -	\$ 929,729

Depreciation expense was \$260,392 in 2017.

Note 6 - Long-Term Obligations

The following is a summary of long-term obligations for the year ended December 31, 2017:

	<u>Capital Purchase</u>
Balance at December 31, 2016	\$1,138,381
Additions	-
Reductions	<u>(63,306)</u>
<u>BALANCE AT DECEMBER 31, 2017</u>	<u>\$1,075,075</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, 2017:

	<u>Capital Purchase</u>
Current Portion	\$ 65,680
Long-Term Portion	<u>1,009,395</u>
<u>Total</u>	<u>\$1,075,075</u>

Long-term obligation at December 31, 2017 in the amount of \$1,075,075 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 2018 until 2030 and have an interest rate of 4.0%. Interest expense for 2017 was \$42,699 and is included in public safety expenses. Principal and interest payable in the next fiscal year are \$65,680 and \$40,324, respectively.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
DELHI, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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>
2018	\$ 65,680	\$ 40,324	\$ 106,004
2019	68,143	37,861	106,004
2020	70,699	35,305	106,004
2021	73,351	32,653	106,004
2022	76,108	29,902	106,004
2023-2027	425,531	104,488	530,020
2028-2030	295,568	22,444	318,012

Note 7 - Prior Period Adjustment

In prior year, a thermal imager was purchased but was not added to fixed assets on the government wide financial statements. This resulted in an increase in overall beginning net position of \$6,250.

Note 8 - Subsequent Events

Subsequent events have been evaluated through May 15, 2018, 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.

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, 2017

Required Supplemental Information

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance With</u> <u>Final Budget</u> <u>Over(Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Sales Tax	\$ 279,840	\$ 279,840	\$ 258,747	\$ (21,093)
Intergovernmental revenues:				
Fire Insurance rebates	13,000	13,000	18,729	5,729
Other Income	-	-	4,743	4,743
Total Revenues	<u>292,840</u>	<u>292,840</u>	<u>282,219</u>	<u>(10,621)</u>
Expenditures				
Wages	39,240	39,240	39,263	(23)
Volunteer Incentive Payments	20,000	20,000	16,100	3,900
Repairs and Maintenance	15,100	15,100	14,961	139
Supplies Used in Operations	3,000	3,000	2,422	578
Fire Prevention Awareness Day	3,500	3,500	1,908	1,592
Volunteer Travel/Mileage Reimbursement	2,100	2,100	3,201	(1,101)
Taxes and License	200	200	153	47
Volunteer Service Awards	100	100	207	(107)
Computer/Camera/Copier Expense	6,100	6,100	11,624	(5,524)
Fuel, Oil, Grease	3,000	3,000	3,076	(76)
Insurance	28,088	28,088	24,223	3,865
Utilities	3,000	3,000	2,995	5
Telephone	2,000	2,000	3,255	(1,255)
Uniforms and Safety Equipment	15,000	15,000	20,537	(5,537)
Dues, Fees & Publications	2,400	2,400	2,312	88
Office Supplies & Postage	2,578	2,578	647	1,931
Interest	106,004	106,004	106,046	(42)
Legal and Accounting	7,675	7,675	9,138	(1,463)
Audit and Review	5,250	5,250	4,750	500
Capital Outlay	14,000	14,000	12,786	1,214
Training	11,000	11,000	10,215	785
Payroll Tax Expense	3,002	3,002	3,206	(204)
Miscellaneous Tools	500	500	480	20
Total Expenditures	<u>292,837</u>	<u>292,837</u>	<u>293,505</u>	<u>(668)</u>
Net Change in Fund Balance	3	3	(11,286)	(11,289)
Fund Balance at Beginning of Year	<u>56,125</u>	<u>56,125</u>	<u>56,125</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 56,128</u>	<u>\$ 56,128</u>	<u>\$ 44,839</u>	<u>\$ (11,289)</u>

See accompanying notes and Independent Accountants' Review Report.

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, 2017

Name	Office	Reimbursements	Accounting Fees	Volunteer Per Diems	Salary
David Hale	President	-	-	1,080	-
Ken Hall	Fire Chief	2,574	-	1,880	1,080
Micah Duchesne	Vice President	37	-	2,370	14,022
Daniel Mejias	Secretary	-	-	670	-
Gina Jones	Treasurer	69	7,975	-	-
Kelly Ford	Director	-	-	660	-
Clayton Cooper	Director	-	-	465	-

See accompanying notes and Independent Accountants' Review Report.

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

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

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Delhi Volunteer Fire Department, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Department'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, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No purchases of materials and supplies exceeding \$30,000 were made during the year. No public works expenditures exceeding \$100,000 were made during the year ended December 31, 2017.

Code of Ethics for Public Officials and Public Employees

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

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

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

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

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

None of the employees included in the listing obtained from management in agreed-upon procedure (3) were included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Budgeting

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

Management provided me with a copy of the original budget. There were two amendments.

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

The budget was adopted by ordinance in compliance with the Local Government Budget Act (R.S. 39:1305.D). The budget was presented and adopted timely.

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

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues had a favorable variance and expenditures for the year were within 5% of budgeted amounts.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:
(a) trace payments to supporting documentation as to proper amount and payee;

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

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

All of the six disbursements were properly coded in the GL.

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

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

Meetings

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

The Department is only required to post a notice of each meeting and the accompanying agenda on the door of the fire station. The Department complied with this requirement.

Debt

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

I inspected the general ledger detail of all deposits for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds, or like indebtedness. In prior year, two fire trucks were purchased with loan proceeds and all debt is current.

Advances and Bonuses

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

A reading of the minutes indicated no approval for the payments noted above.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Delhi Volunteer Fire Department, Inc. 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.

David M. Sutt, CPA (APAC)

West Monroe, Louisiana
May 15, 2018

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017

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 15, 2018 (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, 2017 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 15, 2018

Public Bid Law

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

Yes No

Code of Ethics for Public Officials and Public Employees

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

Yes No

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

Yes No

Budgeting

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

Yes No

Accounting and Reporting

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

Yes No

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

Yes No

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

Yes No

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

Yes No

Meetings

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

Yes No

Debt

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

Yes [] No []

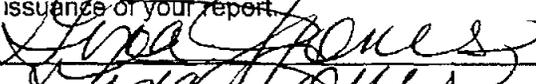
Advances and Bonuses

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

Yes [] No []

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

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

	Secretary	<u>5/15/18</u>	Date
	Treasurer	<u>5/15/18</u>	Date
	President	<u>5/15/18</u>	Date