

**NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**  
**Napoleonville, Louisiana**

**FINANCIAL REPORT**  
**DECEMBER 31, 2018**

**Waguespack, Gallagher & Barbera, LLC**

*Certified Public Accountants • Business Advisors*

Post Office Box 250

Napoleonville, Louisiana 70390

(985) 369-2515

**NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**  
**Napoleonville, Louisiana**

**FINANCIAL REPORT**  
**DECEMBER 31, 2018**

## CONTENTS

|  | <u>Page</u> |
|--|-------------|
| INDEPENDENT ACCOUNTANT’S REVIEW REPORT   |             |
| Independent Accountant’s Review Report   | 1-2         |
| REQUIRED SUPPLEMENTARY INFORMATION – PART I  |             |
| Management’s Discussion and Analysis   | 3-8         |
| BASIC FINANCIAL STATEMENTS   |             |
| Statement of Net Position  | 9           |
| Statement of Activities  | 10          |
| Balance Sheet – Governmental Fund  | 11          |
| Reconciliation of the Governmental Fund Balance Sheet to the<br>Statement of Net Position  | 12          |
| Statement of Revenues, Expenditures, and Changes in Fund<br>Balance- Governmental Fund   | 13          |
| Reconciliation of the Governmental Funds Statement of Revenues,<br>Expenditures, and Changes in Fund Balance to the Statement<br>of Activities | 14          |
| Notes to Financial Statements  | 15-21       |
| REQUIRED SUPPLEMENTARY INFORMATION- PART II  |             |
| Budgetary Comparison Schedule - General Fund   | 22          |
| OTHER SUPPLEMENTARY INFORMATION  |             |
| Schedule of Compensation, Benefits, and Other Payments to Agency Head  | 23          |
| OTHER SUPPLEMENTARY INFORMATION REQUIRED BY<br>LEGISLATIVE AUDITOR, STATE OF LOUISIANA   |             |
| Independent Accountant’s Report on Applying<br>Agreed-Upon Procedures  | 24-26       |
| Louisiana Attestation Questionnaire  | 27-28       |

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Commissioners of  
Napoleonville Volunteer Fire Department  
Napoleonville, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and major fund of the Napoleonville Volunteer Fire Department (Fire Department) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Fire Department's basic financial statements as listed in the Table of Contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

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

### Accountants' 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, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountants' Conclusion

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

### Other Matter Paragraphs

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis and Budgetary Comparison Schedule on pages 3-8 and 22 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such

information is the responsibility of management. We have not audited or reviewed such required supplementary information, and accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

*Supplementary Information*

The accompanying supplementary schedule of compensation, benefits and other payments to agency head is presented only for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

*Other Reporting Requirements*

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated June 5, 2019, on the results of our agreed-upon procedures on page 24 through 26 and pages 27 through 28 present the Louisiana Attestation Questionnaire.

*Wagnerspach Gallagher + Bels, LLC*

June 5, 2019  
Napoleonville, Louisiana

## **NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2018**

This section of the Fire Department's annual financial report presents our discussion and analysis of the Fire Department's financial performance during the fiscal year that ended on December 31, 2018. Please read it in conjunction with the Fire Department's financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- The Fire Department's total net position increased by \$5,461 to \$599,066 as of December 31, 2018.
- Net position increased because the Fire Department's revenues were \$5,461 more than expenses.
- Expenses for the year were \$196,686, including depreciation expense of \$89,358.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

**NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2018**

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

## **NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2018**

#### **Government-wide Statements**

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

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

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

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

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

#### **Fund Financial Statements**

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

- Some funds are required by State law and by bond covenants.

The Fire Department has one type of fund:

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



**NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2018**

**FINANCIAL ANALYSIS OF THE FIRE DEPARTMENT AS A WHOLE**

**Net position.** The Fire Department's net position increased between fiscal years 2018 and 2017 to approximately \$599,000. (See Table A-1.)

| <b>Table A-1</b>  |                            |  |                  |
|---|----------------------------|--|------------------|
| <b>Napoleonville Volunteer Fire Department's Net Position</b> |                            |  |                  |
|   | Governmental<br>Activities |  |                  |
|   | <b>2018</b>                |  | <b>2017</b>      |
| Current and other assets                                      | \$ 353,862                 |  | \$ 320,417       |
| Capital assets, net   | 287,329                    |  | 356,413          |
| <b>Total assets</b>   | <b>641,191</b>             |  | <b>676,830</b>   |
| Liabilities   | 42,125                     |  | 83,225           |
| <b>Total liabilities</b>                                      | <b>42,125</b>              |  | <b>83,225</b>    |
| Net position  |                            |  |                  |
| Net investment  |                            |  |                  |
| in capital assets   | 287,329                    |  | 356,413          |
| Unrestricted  | 311,737                    |  | 237,193          |
| <b>Total net position</b>                                     | <b>\$599,066</b>           |  | <b>\$593,605</b> |

Net position of the Fire Department's governmental activities increased 1.0 percent to approximately \$599,000.

**Changes in net position.** The Fire Department's total revenues increased by 2.7 percent to \$202,147 (See Table A-2). Approximately 90.6 percent of the Fire Department's revenue comes from the fire protection grant from the Assumption Parish Police Jury and approximately 8.8 percent comes from fire insurance rebates. In 2018, the Fire Department received one grant totaling \$183,085 from the Assumption Parish Police Jury.

The total cost of all expenses increased approximately \$29,500 or 17.6 percent. The Fire Department's expenses cover all services performed by its office.

**NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2018**

**Governmental Activities**

Revenues for the Fire Department's governmental activities increased 2.7 percent, while total expenses increased 8.8 percent.

| <b>Table A-2<br/>Changes in Napoleonville Volunteer Fire Department's Net Position</b> |                                |                 |
|--|--------------------------------|-----------------|
|  | <b>Governmental Activities</b> |                 |
|  | <b>2018</b>                    | <b>2017</b>     |
| <b>Revenues</b>  |                                |                 |
| General revenues   |                                |                 |
| Fire Protection Grant  | \$183,085                      | \$ 176,436      |
| Fire Insurance Rebate  | 17,741                         | 19,512          |
| Interest   | 1,239                          | 159             |
| Other  | 82                             | 750             |
| <b>Total revenues</b>  | <b>202,147</b>                 | <b>196,857</b>  |
| <b>Expenses</b>  |                                |                 |
| General Government-Public Safety   | 196,686                        | 167,209         |
| <b>Total expenses</b>  | <b>196,686</b>                 | <b>167,209</b>  |
| <b>Increase in net position</b>  | <b>\$ 5,461</b>                | <b>\$29,648</b> |

- The cost of all governmental activities this year increased by approximately 8.8 percent to \$196,686.

**FINANCIAL ANALYSIS OF THE FUNDS**

As the Fire Department completed the year, its governmental funds reported a fund balance of \$353,862, an increase from last year of \$33,444.

**General Fund Budgetary Highlights**

- Over the course of the year, the Fire Department did revise its budget.

**NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2018**

**CAPITAL ASSETS**

**Capital Assets**

At the end of 2018, the Fire Department had invested \$287,329 in capital assets. (See Table A-3.)

**Table A-3**  
**Napoleonville Volunteer Fire Department's Capital Assets**  
 (net of depreciation)

|                           | <b>Governmental Activities</b> |                  |
|---------------------------|--------------------------------|------------------|
|                           | <b>2018</b>                    | <b>2017</b>      |
| Buildings                 | \$92,900                       | \$92,900         |
| Vehicles                  | 1,279,340                      | 1,279,340        |
| Firefighting Equipment    | 422,173                        | 401,899          |
| Accumulated Depreciation  | (1,507,084)                    | (1,417,726)      |
| <b>Net Capital Assets</b> | <b>\$287,329</b>               | <b>\$356,413</b> |

**DEBT**

**Debt**

As of December 31, 2018, the Fire Department had 41,385 in capital lease obligations. Additional information about the Fire Department's debt is presented in Note E – Long-Term Debt – in the Notes to Financial Statements.

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

During the current year, the Fire Department received local grant proceeds in the amount of \$183,085. This is expected to be recurring for 2018, therefore, the Fire Department budget for 2018 is expected to remain consistent to the current fiscal year.

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

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Fire Department's finances and to demonstrate the Fire Department's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Gerald Richard, P.O. Box 911, Napoleonville, LA 70390.

**NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**  
**Napoleonville, Louisiana**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

| <b>ASSETS</b>                                   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| Current assets:                                 |                                    |
| Cash and cash equivalents                       | \$ 296,494                         |
| Due from other governments                      | <u>57,368</u>                      |
| Total current assets                            | <u>353,862</u>                     |
| Noncurrent assets:                              |                                    |
| Capital assets, net of accumulated depreciation | <u>287,329</u>                     |
| Total noncurrent assets                         | <u>287,329</u>                     |
| Total assets                                    | <u>641,191</u>                     |
| <br><b>LIABILITIES</b>                          |                                    |
| Current Liabilities:                            |                                    |
| Accrued expenses                                | 740                                |
| Current Portion of Long-Term Debt               | <u>41,385</u>                      |
| Total current liabilities                       | <u>42,125</u>                      |
| Total liabilities                               | <u>42,125</u>                      |
| <br><b>NET POSITION</b>                         |                                    |
| Net investment in capital assets                | 245,944                            |
| Unrestricted                                    | <u>353,122</u>                     |
| Total net position                              | <u><u>\$ 599,066</u></u>           |

See accompanying notes and independent accountant's review report.

**NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**  
**Napoleonville, Louisiana**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                  |                         | Program Revenues                       |  |            | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position |
|----------------------------------|-------------------------|--|--|------------|--|
| Expenses                         | Charges for<br>Services | Capital<br>Grants and<br>Contributions | Operating<br>Grants and<br>Contributions |            | Governmental<br>Unit                                       |
| <b>FUNCTIONS/PROGRAMS</b>        |                         |  |  |            |  |
| Governmental activities:         |                         |  |  |            |  |
| General government-public safety | \$ 196,686              | \$ -                                   | \$ -                                     | \$ 183,085 | \$ (13,601)  |
| Total governmental activities    | \$ 196,686              | \$ -                                   | \$ -                                     | \$ 183,085 | \$ (13,601)  |
| General Revenues:                |                         |  |  |            |  |
| Interest                         |                         |  |  |            | 1,239  |
| Fire insurance rebate            |                         |  |  |            | 17,741   |
| Miscellaneous                    |                         |  |  |            | 82   |
| Total general revenues           |                         |  |  |            | 19,062   |
| Change in net position           |                         |  |  |            | 5,461  |
| Net position - January 1, 2018   |                         |  |  |            | 593,605  |
| Net position - December 31, 2018 |                         |  |  |            | \$ 599,066   |

See accompanying notes and independent accountant's review report.

**NAPoleonVILLE VOLUNTEER FIRE DEPARTMENT**  
**Napoleonville, Louisiana**  
**BALANCE SHEET**  
**GOVERNMENTAL FUND**  
**DECEMBER 31, 2018**

**ASSETS**

|                            | <u>General Fund</u> |
|----------------------------|---------------------|
| Cash and cash equivalents  | \$ 296,494          |
| Due from other governments | 57,368              |
| Total assets               | \$ 353,862          |

**LIABILITIES AND FUND BALANCE**

|                                    |            |
|------------------------------------|------------|
| Liabilities                        |            |
| Accrued expenses                   | \$ -       |
| Total liabilities                  | -          |
| Fund balance                       |            |
| Unassigned                         | 353,862    |
| Total fund balance                 | 353,862    |
| Total liabilities and fund balance | \$ 353,862 |

See accompanying notes and independent accountant's review report.

**NAPoleonVILLE VOLUNTEER FIRE DEPARTMENT**  
**Napoleonville, Louisiana**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

|   |                    |                   |
|---|--------------------|-------------------|
| Total fund balance - Governmental Fund  |                    | \$ 353,862        |
| Amounts reported for Governmental Activities<br>in the Statement of Net Position is different because:  |                    |                   |
| Capital Assets used in Governmental Activities are not<br>current financial resources and, therefore, are not<br>reported in the fund. Those assets consist of: |                    |                   |
| Equipment, Buildings, and Vehicles  | 1,794,413          |                   |
| Less: Accumulated Depreciation  | <u>(1,507,084)</u> | 287,329           |
| Long-term debt is not a current financial resource and, therefore<br>is not reported in the fund. This liability consists of:                                   |                    |                   |
|   |                    | (41,385)          |
| Interest accrued on long term debt is not a current financial<br>resource and, therefore are is reported in the fund. This<br>liability consists of:            |                    |                   |
|   |                    | <u>(740)</u>      |
| Total net position at December 31, 2018 - Governmental Activities   |                    | <u>\$ 599,066</u> |

See accompanying notes and independent accountant's review report.

**NAPoleonVILLE VOLUNTEER FIRE DEPARTMENT**  
**Napoleonville, Louisiana**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|  | <u>General Fund</u> |
|--|---------------------|
| <b>REVENUES</b>                          |                     |
| Intergovernmental:                       |                     |
| Fire Protection Grant                    | \$ 183,085          |
| Fire insurance rebate                    | 17,741              |
| Interest                                 | 1,239               |
| Miscellaneous                            | 82                  |
| <br>Total Revenues                       | <br>202,147         |
| <b>EXPENDITURES</b>                      |                     |
| Current                                  |                     |
| Current Operating                        |                     |
| Public Safety                            | 106,040             |
| Capital Outlay                           |                     |
| Public Safety                            | 20,274              |
| Debt Service                             |                     |
| Principal                                | 40,379              |
| Interest                                 | 2,010               |
| <br>Total Expenditures                   | <br>168,703         |
| <br>Excess of Revenues over Expenditures | <br>33,444          |
| <br>Fund balance, beginning of year      | <br>320,418         |
| <br>Fund balance, end of year            | <br>\$ 353,862      |

See accompanying notes and independent accountant's review report.



**NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**  
**Napoleonville, Louisiana**  
**RECONCILIATION OF THE GOVERNMENTAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|  |                         |
|--|-------------------------|
| Net Changes in Fund Balance of Governmental Funds  | #REF!                   |
| The Change in Net Position reported for Governmental Activities in the Statement of Activities is different because:   |                         |
| Governmental funds report capital outlays as expenditures. However in the Statement of Activities the cost of these assets are allocated over their estimated useful lives as depreciation expense. The cost of capital assets recorded in the current period is | 20,274                  |
| Depreciation expense on capital assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is           | (89,358)                |
| Governmental Funds report debt payments as expenses. However, this payment does not appear in the statement of activities since the payment decreases the note payable on the statement of net position  | 40,379                  |
| Less: Accrued interest on general fund debt  | <u>722</u>              |
| <br>Change in Net Position - Governmental Activities   | <br><u><u>#REF!</u></u> |

See accompanying notes and independent accountant's review report.

**NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**  
**Napoleonville, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

On April 18, 1991, the Assumption Parish Police Jury entered into a grant agreement with Napoleonville Volunteer Fire Department of Assumption Parish. The fire protection grant was for the purpose of acquiring, maintaining, and operating buildings, machines, water tanks, water hydrants, water lines and any other things necessary to provide proper fire prevention and control of the property within the boundaries of the department.

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

The accompanying financial statements present information only on the funds maintained by the Fire Department and do not present information on the Police Jury, the general government services provided by that governmental unit, and other governmental units that comprise the Police Jury's reporting entity. Napoleonville Volunteer Fire Department of Assumption Parish has no component units.

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

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

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

The accounting and reporting policies of the Fire Department conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

**NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**  
**Napoleonville, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of Presentation**

**Government-Wide Financial Statements (GWFS)**

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

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

**Fund Accounting**

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

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

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

**Basis of Accounting / Measurement Focus**

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

**Accrual Basis – Government-Wide Financial Statements (GWFS)**

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

**NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**  
**Napoleonville, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Modified Accrual Basis – Fund Financial Statements (FFS)**

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

**Budgets**

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

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

**Cash and Cash Equivalents**

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

**NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**  
**Napoleonville, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Capital Assets**

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

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

**Equity**

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

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

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

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

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

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

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

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

**NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**  
**Napoleonville, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Compensated Absences**

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

**Estimates**

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

**NOTE B – CASH & CASH EQUIVALENTS**

At December 31, 2018, the fire department has cash & cash equivalents (book balances) totaling \$496,494 as follows:

|                         |                  |
|-------------------------|------------------|
| Cash & Cash Equivalents |                  |
| Demand Deposits         | \$296,494        |
| Total                   | <u>\$296,494</u> |

These deposits are stated at cost, which approximates market. Under state laws, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk is the risk that in the event of a financial institution failure, the Department's deposit may not be returned to them. To mitigate this risk, the state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of December 31, 2018, the Department's bank balance totaled \$296,538. Of this balance, \$250,000 was

**NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**  
**Napoleonville, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

**NOTE B – CASH, CASH EQUIVALENTS & INVESTMENTS (continued)**

insured by federal deposit insurance, and \$46,538 was collateralized by securities held by the pledging financial institution's trust department or agent but not in the Department's name.

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

**NOTE C – DUE FROM OTHER GOVERNMENTS**

Amounts due from other governments at December 31, 2018 consisted of the following:

Assumption Parish Police Jury

|                  |          |
|------------------|----------|
| Ad valorem taxes | \$57,368 |
|------------------|----------|

**NOTE D – CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2018, are as follows:

|   | Buildings | Vehicles     | Firefighting<br>Equipment | Total        |
|---|-----------|--------------|---------------------------|--------------|
| Cost of Capital Assets,<br>December 31, 2017                          | \$ 92,900 | \$ 1,279,340 | \$ 401,899                | \$ 1,774,139 |
| Additions   | -         | -            | 20,274                    | 20,274       |
| Disposals   | -         | -            | -                         | -            |
| Cost of Capital Assets,<br>December 31, 2018                          | 92,900    | 1,279,340    | 422,173                   | 1,794,413    |
| Accumulated Depreciation<br>December 31, 2017                         | \$ 28,688 | \$ 1,036,703 | \$ 352,335                | \$ 1,417,726 |
| Additions   | 2,832     | 71,016       | 15,510                    | 89,358       |
| Disposals   | -         | -            | -                         | -            |
| Accumulated Depreciation<br>December 31, 2018                         | 31,520    | 1,107,719    | 367,845                   | 1,507,084    |
| Capital Assets, Net of Accumulated<br>Depreciation, December 31, 2018 | \$ 61,380 | \$ 171,621   | \$ 54,328                 | \$ 287,329   |

For the year ended December 31, 2018, depreciation expense was \$89,358.

**NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**  
**Napoleonville, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

**NOTE E-LONG-TERM DEBT**

The Fire Department records vehicles acquired through capital leases as an asset and an obligation in the accompanying financial statements. The following is a summary of the capital lease obligation transactions for the year ended December 31, 2018:

|   |                  |
|---|------------------|
| Capital Lease Obligations Payable<br>at January 1, 2018   | \$ 81,763        |
| Additions   | -                |
| Reductions  | <u>(40,378)</u>  |
| Capital Lease Obligations Payable<br>at December 31, 2018 | <u>\$ 41,385</u> |

The capital lease entered into during 2014 was for the purchase of a fire truck. A 300,000 down payment was put by the fire department. The department entered into a 5 year lease of \$197,110 at 2.49% interest. The annual requirement to amortize the debt, including \$1,030 in interest, is as follows:

|      |               |
|------|---------------|
| 2019 | <u>42,415</u> |
|------|---------------|

For the year ended December 31, 2018, the accumulated amortization on this fire truck was 325,489.

**NOTE F – LITIGATION**

The Fire Department is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to, and destruction of assets; and natural disasters for which the Fire Department carries commercial insurance. The Fire Department is not aware of any pending claims at December 31, 2018.

**NOTE G – SUBSEQUENT EVENTS**

Management has evaluated events through June 5, 2019, the date which the financial statements were available for issue. There were no items to be reported in subsequent events.



**REQUIRED SUPPLEMENTARY INFORMATION**

**NAPoleonVILLE VOLUNTEER FIRE DEPARTMENT**  
**Napoleonville, Louisiana**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|   | <u>Original</u>   | <u>Final</u>      | <u>Actual</u>     | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------|-------------------|-------------------|---|
| <b>REVENUES</b>                             |                   |                   |                   |   |
| Intergovernmental:                          |                   |                   |                   |   |
| Fire Protection Grant                       | \$ 160,000        | \$ 129,350        | \$ 183,085        | \$ 53,735   |
| Fire Insurance Rebate                       | -                 | -                 | 17,741            | 17,741  |
| Interest                                    | -                 | 159               | 1,239             | 1,080   |
| Miscellaneous                               | -                 | 1,472             | 82                | (1,390)   |
| <b>Total Revenues</b>                       | <u>160,000</u>    | <u>130,981</u>    | <u>202,147</u>    | <u>71,166</u>   |
| <b>EXPENDITURES</b>                         |                   |                   |                   |   |
| Current                                     |                   |                   |                   |   |
| Current Operating                           |                   |                   |                   |   |
| Public Safety                               | 72,974            | 69,083            | 106,040           | (36,957)  |
| Capital Outlay                              |                   |                   |                   |   |
| Public Safety                               | 10,000            | 10,000            | 20,274            | (10,274)  |
| Debt Service                                |                   |                   |                   |   |
| Principal                                   | 40,379            | 40,379            | 40,379            | -   |
| Interest                                    | 2,035             | 2,035             | 2,010             | 25  |
| <b>Total Expenditures</b>                   | <u>125,388</u>    | <u>121,497</u>    | <u>168,703</u>    | <u>(47,206)</u>   |
| <b>Excess of Revenues over Expenditures</b> | 34,612            | 9,484             | 33,444            | 23,960  |
| <b>Fund balance, beginning of year</b>      | <u>320,418</u>    | <u>320,418</u>    | <u>320,418</u>    | <u>-</u>  |
| <b>Fund balance, end of year</b>            | <u>\$ 355,030</u> | <u>\$ 329,902</u> | <u>\$ 353,862</u> | <u>\$ 23,960</u>  |

See independent accountant's review report.

**OTHER SUPPLEMENTARY INFORMATION**

**NAPOLEONVILLE VOLUNTEER FIRE DEPARTMENT**  
**Napoleonville, Louisiana**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER**  
**PAYMENTS TO AGENCY HEAD**  
**DECEMBER 31, 2018**

Name of Agency Head:                      Gerald Richard

|                     |    |   |
|---------------------|----|---|
| Salary              | \$ | -                                       |
| Benefits-Insurance  |    | -                                       |
| Benefits-Retirement |    | -                                       |
| Benefits-Other      |    | -                                       |
| Cell Phone          |    | -                                       |
| Dues                |    | -                                       |
| Per Diem            |    | -                                       |
| Reimbursements      |    | -                                       |
| Travel              |    | -                                       |
| Registration Fees   |    | -                                       |
| Housing             |    | -                                       |
| Meals               |    | -                                       |
|                     |    | <hr style="border: 1px solid black;"/>  |
| TOTAL               | \$ | <hr style="border: 3px double black;"/> |

See independent accountant's review report

**REPORT AND ACCOMPANYING QUESTIONNAIRE REQUIRED BY  
THE LEGISLATIVE AUDITOR, STATE OF LOUISIANA**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners of  
Napoleonville Volunteer Fire Department  
Napoleonville, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Napoleonville Volunteer Fire Department, the Legislative Auditor, State of Louisiana, and applicable state grantor agencies solely to assist the users in evaluating management's assertions about Napoleonville Volunteer Fire Department's compliance with certain laws and regulations during the year ended December 31, 2018, included in the accompanying *Louisiana Attestation Questionnaire*. Management of Pierre Part-Belle Rive Volunteer Fire Department is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

***Federal, State, and Local Awards***

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

The Department received one local grant from the Assumption Parish Police Jury for \$183,085 of which \$183,085 was spent.

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

Six disbursements were selected for the local grant. For the items selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

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

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

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

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

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

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

Activities allowed or unallowed:

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

Eligibility

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

Matching Funds

N/A

Reporting

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

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

The local grant was not closed out during the year ended December 31, 2018.

### ***Meetings***

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

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

### *Comprehensive Budget*

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

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

### *Prior Comments and Recommendations*

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

There were no prior year suggestions, recommendations or comments.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the management of Napoleonville Volunteer Fire Department, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Wagnerspack, Gallagher & Butler LLC*

June 5, 2019  
Napoleonville, Louisiana



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

12/31/18 (Date Transmitted)

WAGUESPACK, GALLAGHER & BARBERA  
LLC

PO BOX 250  
NAPOLEONVILLE, LA 70390

(Auditors)

In connection with your review of our financial statements as of December 31, 2018 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 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 (date of completion/representation).

**Federal, State, and Local Awards**

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

Yes [] No [ ]

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

Yes [] No [ ]

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

Yes [] No [ ]

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

Yes [] No [ ]

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://app1.la.state.la.us/llala.nsf>, to determine whether a non-profit agency is subject to the open meetings law.**

Yes [] No [ ]

**Budget**

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

Yes [] No [ ]

**Reporting**

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

Yes  No


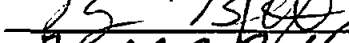

**Prior-Year Comments**

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

N/A 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 federal, state, and local grants, to include the applicable 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 will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

|   |           |               |      |
|---|-----------|---------------|------|
|  | Secretary | <u>6-3-19</u> | Date |
|  | Treasurer | <u>6-3-19</u> | Date |
|  | President | <u>6-3-19</u> | Date |