

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

Annual Financial Statements

As of and for the Year Ended
December 31, 2018

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

Annual Financial Statements
As of and for the Year Ended December 31, 2018

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Accountant's Compilation Report

BOARD OF COMMISSIONERS
NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities and major fund information of Northeast Union Fire District, a component unit of Union Parish, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to agency head and board of commissioners is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to my compilation engagement, but I have not audited or reviewed the supplementary information, and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 17 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This information is the representation of management. I have not performed an audit, review, or compilation on the required supplementary information, and, accordingly, I do not express an opinion, a conclusion, nor provide any assurance on such information.

BOARD OF COMMISSIONERS
NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

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



Calhoun, Louisiana
June 18, 2019

BASIC FINANCIAL STATEMENTS

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

STATEMENT OF NET POSITION
December 31, 2018

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash	\$116,723
Investments - certificates of deposit	174,352
Receivables	90,743
Capital assets, net	<u>740,683</u>
TOTAL ASSETS	<u>1,122,501</u>
LIABILITIES	
Accounts payable	<u>1,056</u>
DEFERRED INFLOW OF RESOURCES	
Property taxes	<u>92,683</u>
NET POSITION	
Net investment in capital assets	740,683
Unrestricted	<u>288,079</u>
TOTAL NET POSITION	<u><u>\$1,028,762</u></u>

See accompanying notes and accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

	GOVERNMENTAL ACTIVITIES
Expenses:	
Public safety - fire protection	(\$88,872)
General revenues:	
Property taxes	92,400
State fire insurance rebate	11,074
Interest earnings	1,000
Total general revenues	104,474
Change in net position	15,602
Net position - beginning	1,013,160
Net position - ending	\$1,028,762

See accompanying notes and accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

BALANCE SHEET - GOVERNMENTAL FUND
December 31, 2018

	GENERAL FUND
ASSETS	
Cash	\$116,723
Investments - certificates of deposit	174,352
Receivables	90,743
TOTAL ASSETS	\$381,818
LIABILITIES	
Accounts payable	\$1,056
DEFERRED INFLOW OF RESOURCES	
Property taxes	92,683
FUND BALANCE	
Unassigned	288,079
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE	\$381,818
 Reconciliation of the Balance Sheet of Governmental Fund To the Statement of Net Position:	
Fund balance - unassigned - General Fund	\$288,079
Amount reported for net position of governmental activities in the Statement of Net Position (Statement A) is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund	740,683
Net position of governmental activities (Statement A)	\$1,028,762

See accompanying notes and accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
For the Year Ended December 31, 2018

	GENERAL FUND
REVENUES	
Property taxes	\$92,400
Intergovernmental revenues - state fire insurance rebate	11,074
Investment income	1,000
Total revenues	104,474
EXPENDITURES	
Public safety - fire protection:	
Current:	
Operating services	17,292
Materials and supplies	3,757
Other	4,709
Capital outlay	11,315
Total expenditures	37,073
NET CHANGE IN FUND BALANCE	67,401
FUND BALANCE AT BEGINNING OF YEAR	220,678
FUND BALANCE AT END OF YEAR	\$288,079

(Continued)

See accompanying notes and accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND (Contd.)
For the Year Ended December 31, 2018

	GENERAL FUND
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities:	
Net change in fund balance - General Fund	\$67,401
Amount reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by depreciation expense exceeded capital outlay expenditures in the current period.	<u>(51,799)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$15,602</u></u>

(Concluded)

See accompanying notes and accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2018

INTRODUCTION

The Northeast Union Fire District was created by the Union Parish Police Jury on October 7, 1997, as authorized by Louisiana Revised Statute 40:1494. The district is governed by a five member board appointed by the Union Parish Police Jury. Board members serve terms from two to three years without benefit of compensation. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district. The district has no employees.

GASB Statement No. 14, *The Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these statements, the Northeast Union Fire District is considered a component unit of the Union Parish Police Jury. As a component unit, the accompanying financial statements maybe included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

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 changes in net position) report information on all of the activities of the Northeast Union Fire District.

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

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements. The Northeast Union Fire District has only one governmental fund.

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Notes to the Financial Statements

**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. Property taxes are recognized as revenues in the year for which they are levied. 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, revenues are considered 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.

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

The Northeast Union Fire District reports the following governmental fund:

General Fund

The General fund is the general operating fund of the district and accounts for all financial resources.

C. Deposits and Investments

Cash includes the amount in a noninterest-bearing demand deposit. State law limits the district's credit risk by restricting the district's investments to collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 2018, the district's investments consists of nonnegotiable certificates of deposit with original maturities that exceed 90 days that are

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Notes to the Financial Statements

reported in the accompanying financial statements at cost. The district's interest rate risk is limited by the investment of funds for on longer than one year.

D. Receivables

All receivables are generally shown net of an allowance for uncollectible amounts. These statements contain no provision for uncollectible accounts. The district is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The district levied 7.56 mills on property within the boundaries of the district for maintenance and operation of the district for the year ended December 31, 2018.

E. Capital Assets

Capital assets, which include buildings, vehicles, and equipment are reported in the governmental activities column in the government-wide financial statements. All of the district's capital assets are capitalized at historical cost. The Northeast Union Fire District maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

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

	<u>Estimated Lives</u>
Buildings	20-40 years
Vehicles	5-15 years
Equipment	5-10 years

F. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. Property taxes that are recorded before the period for which the taxes are levied are reported as deferred inflows of resources.

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Notes to the Financial Statements

G. Net Position/Fund Balance

For the government-wide statement of net position, net position is reported as restricted when constraints are placed on net position by either of the following ways:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
2. imposed by law through constitutional provisions or enabling legislation.

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which funds can be spent. Fund balance should be reported as restricted when constraints on the use of the funds meet the same criteria as restricted net position in the government-wide statement of net position as noted in the previous paragraph. Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the board of aldermen are reported as committed fund balance.

Assigned fund balance are amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The board of aldermen is authorized to assign amounts to a specific purpose. Unassigned fund balance is the residual classification and represents fund balance that has not been restricted, committed, or assigned to a specific purpose.

At December 31, 2018, the district had only unassigned fund balance in the General Fund.

H. 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 certain reported amounts of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. STEWARDSHIP, COMPLIANCE, AND
ACCOUNTABILITY**

Budget Information

A preliminary General Fund budget for the ensuing year is prepared by the board of commissioners in December of each year on the modified accrual basis of accounting. The budget is then adopted by the board during the regular December meeting. The budget is established and controlled by the board of commissioners at the object level of expenditure.

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Notes to the Financial Statements

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Encumbrance accounting is not used by the district. All changes in the budget must be approved by the board of commissioners.

Budgeted amounts included in the accompanying financial statements include the original adopted budget. There were no amendments during the year.

3. DEPOSITS IN FINANCIAL INSTITUTIONS

At December 31, 2018, the district has cash (book balances) as follows:

Non-interest bearing checking account	\$116,723
Investments - certificates of deposit	<u>174,352</u>
Total	<u>\$291,075</u>

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. Cash and investments (bank balances) at December 31, 2018, are \$291,219, and are fully secured from risk by federal deposit insurance.

4. RECEIVABLES

The following is a summary of receivables at December 31, 2018:

Property taxes	\$90,743
Allowance for doubtful accounts	<u>NONE</u>
Total	<u>\$90,743</u>

5. CAPITAL ASSETS

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

	Balance at January 1, <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance at December 31, <u>2018</u>
Governmental activities: Capital assets being depreciated:				

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Notes to the Financial Statements

	Balance at January 1, 2018	Increases	Decreases	Balance at December 31, 2018
Buildings	\$286,146			\$286,146
Vehicles	989,080			989,080
Equipment	276,825	\$11,315		288,140
Total capital assets being depreciated	<u>\$1,552,051</u>	<u>\$11,315</u>	<u>NONE</u>	<u>\$1,563,366</u>
Less accumulated depreciation for:				
Buildings	88,159	7,278		95,437
Vehicles	448,757	42,322		491,079
Equipment	222,653	13,514		236,167
Total accumulated depreciation	<u>759,569</u>	<u>63,114</u>	<u>NONE</u>	<u>822,683</u>
Total assets being depreciated, net	<u>\$792,482</u>	<u>(\$51,799)</u>	<u>NONE</u>	<u>\$740,683</u>

Depreciation expense of \$63,114 for the year ended December 31, 2018 was charged to the public safety - fire protection governmental function.

6. RISK MANAGEMENT

The district purchases commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

7. SUBSEQUENT EVENTS

The district has evaluated subsequent events through June 18, 2019, the date which the financial statements were available to be issued.

See accountant's compilation report.

REQUIRED SUPPLEMENTAL INFORMATION SCHEDULE

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended December 31, 2018

	BudgetedAmounts.....		Actual Amounts (Budgetary Basis - GAAP)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$100,000	\$100,000	\$92,400	(\$7,600)
Intergovernmental revenue:				
State fire insurance rebate	12,000	12,000	11,074	(926)
State grant	5,500	5,500		
Investment income	500	500	1,000	500
Other income	100	100		(100)
Total revenues	<u>118,100</u>	<u>118,100</u>	<u>104,474</u>	<u>(13,626)</u>
EXPENDITURES				
Public safety - fire protection:				
Current:				
Operating services	19,200	19,200	17,292	1,908
Materials and supplies	17,200	17,200	3,757	13,443
Other	2,000	2,000	4,709	(2,709)
Capital outlay			11,315	(11,315)
Total expenditures	<u>38,400</u>	<u>38,400</u>	<u>37,073</u>	<u>1,327</u>
NET CHANGE IN FUND BALANCE	79,700	79,700	67,401	(12,299)
FUND BALANCE AT BEGINNING OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>220,678</u>	<u>220,678</u>
FUND BALANCE AT END OF YEAR	<u>\$79,700</u>	<u>\$79,700</u>	<u>\$288,079</u>	<u>\$208,379</u>

There were no budget amendments during the year ended December 31, 2018.

See accountant's compilation report.

OTHER SUPPLEMENTAL INFORMATION SCHEDULE

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
As of and For the Year Ended December 31, 2018

**COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD AND
BOARD OF COMMISSIONERS**

The Schedule of Compensation, Benefits and Other Payments to Agency Head and Board of Commissioners is presented in compliance with Louisiana Revised Statute 24:513 A (3) and House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The board members serve without benefit of compensation.

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD
AND BOARD OF COMMISSIONERS
For the Year Ended December 31, 2018

BOARD COMPENSATION

Agency Head - Huey Rhodes	NONE
Virgil Brantley	NONE
Jed Rhodes	NONE
Jimmy Russell	NONE
Bill Thurston	NONE

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2018

2018-001. Noncompliance with Local Government Budget Act

Criteria: L.R.S 39:1310 requires the District to amend the adopted budget when actual revenues fail to meet budgeted revenues by 5% or more.

Condition: Actual revenues were \$13,626 (12%) less than budgeted revenues.

Cause: Management of the District failed to properly estimate revenues.

Effect: Violation of L.R.S. 39:1310.

Recommendation: The District should adopt a budget amendment when actual revenues fail to meet budgeted revenues by 5% or more.

Management's Response: For all future years, the District will adopt a budget amendment when actual revenues fail to meet budgeted revenues by 5% or more.