

Monterey Fire Protection District No. 1

Concordia Parish, Louisiana
(A Component Unit of the
Concordia Parish Police Jury)
Monterey, Louisiana

Financial Statements
(Unaudited)

As of December 31, 2016
And for the Year then Ended

Monterey Fire Protection District No. 1

Concordia Parish, Louisiana
(A Component Unit of the
Concordia Parish Police Jury)
Monterey, Louisiana

Table of Contents

Accountant's Compilation Report	1
Section I – Required Supplemental Information Management's Discussion and Analysis (MD&A)	2-5
Section II – Affidavit	6
Section III – Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements	
Governmental Funds	
Balance Sheet	9
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	10
Statement of Revenues, Expenditures and Changes in Fund Balance	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance	12
Notes to the Financial Statements	13-17

JERI SUE TOSSPON, CPA, LLC

Certified Public Accountant

P O Box 445

Ferriday, Louisiana 71334-0445

(318)757-9393 Fax (318)757-9300

jtosspn@bellsouth.net

To the Board of Directors
Monterey Fire Protection District No. 1

Management is responsible for the accompanying financial statements of Monterey Fire Protection District #1, which comprise the balance sheet as of December 31, 2016 and the related statement of income and expense for the year then ended in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statement on Standards for Accounting and Review Services Promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the accompanying 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, conclusion, nor provide any form of assurance on these financial statements.

The management's discussion and analysis, on pages 2-5 is not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have compiled the supplemental information from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion, a conclusion or provide any assurance on the supplementary information.

Act 706 of the Louisiana 2014 Legislative Session requires a Schedule of Compensation, Benefits, and Other Payments to Agency Head which is in Note 9, Page 17. Such information, although not a part of the basic financial statements, is required by Louisiana state law which 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 was not audited, reviewed, or compiled by me, and I do not express an opinion or provide any assurance on it.

I am not independent with regard to the Monterey Fire Protection District No. 1.



June 26, 2017

Section I

Required Supplemental Information
Management's Discussion and Analysis (MD&A)

MONTEREY FIRE PROTECTION DISTRICT NO. 1
(A Component Unit of the Concordia Parish Police Jury)
MANAGEMENT DISCUSSION & ANALYSIS (MD&A)
YEAR ENDED DECEMBER 31, 2016

INTRODUCTION

The discussion and analysis (MD&A) of the Monterey Fire Protection District No. 1's (the district) financial performance provides an overall narrative review of the District's financial activities for the year ended December 31, 2016 and 2015. The intent of this discussion and analysis is to look at the District's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the District's financial performance.

The Monterey Fire Protection District No. 1's main office is located in Monterey, Louisiana in Concordia Parish. The District provides fire protection services to approximately 2,000 customers and is a component unit of the Concordia Parish Police Jury

FINANCIAL HIGHLIGHTS

- Assets exceeded liabilities by \$311,682 and \$341,675 at December 31, 2016 and 2015.
- Total revenues exceeded expenditures by \$29,993 in 2016 and revenues exceeded expenditures by \$12,695 for 2015.
- The District had net capital assets of \$347,574 and \$332,219 at December 31, 2016 and 2015.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Monterey Fire Protection District No. 1's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year.

The government-wide financial statements can be found on pages 7-8 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

MONTEREY FIRE PROTECTION DISTRICT NO. 1
(A Component Unit of the Concordia Parish Police Jury)
MANAGEMENT DISCUSSION & ANALYSIS (MD&A)
YEAR ENDED DECEMBER 31, 2016

The basic governmental fund financial statements can be found on pages 9-12 of this report

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 13-17 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position for the period ending December 31, 2016 and 2015

The following is a summary of the net position of the district's net position as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Cash	\$ 11,512	\$ 28,806
Accounts receivable, taxes	81,592	72,450
Accounts receivable, grants	9,007	2,478
Capital assets, net	<u>347,574</u>	<u>332,219</u>
Total Assets	<u>449,685</u>	<u>435,953</u>
Accrued liabilities	3,184	3,184
Current portion - loans payable	16,666	15,545
Long-term portion - loans payable	<u>88,160</u>	<u>105,542</u>
Total Liabilities	<u>108,010</u>	<u>124,271</u>
Net Position		
Investment in capital assets, net of related debt	242,748	211,132
Unrestricted	<u>98,927</u>	<u>100,550</u>
Total Net Position	<u>\$ 341,675</u>	<u>\$ 311,682</u>

The largest portion of the District's net position (\$242,748 or 71%) is its investment in capital assets such as equipment less related debt expended in the acquisition of those assets.

MONTEREY FIRE PROTECTION DISTRICT NO. 1
(A Component Unit of the Concordia Parish Police Jury)
MANAGEMENT DISCUSSION & ANALYSIS (MD&A)
YEAR ENDED DECEMBER 31, 2016

The remaining balance of the net position (\$98,927 or 29%) may be used to pay current operating expenses.

The District has long-term debt of \$104,826 which was used to finance additions to firefighting equipment. More information concerning this debt may be found on pages 15-16 of the notes to the financial statements. Total liabilities of \$108,010 are equal to 24% of the total assets of the District.

The following is a summary of the statement of activities for 2016 and 2015:

	<u>2016</u>	<u>2015</u>
General Revenues		
Taxes - ad valorem	\$ 102,134	\$ 87,653
Federal in lieu of tax	\$ 1,984	
Federal grants	9,007	2,478
Interest income	120	91
Other revenue	<u>60,740</u>	<u>101,956</u>
Total General Revenues	<u>173,985</u>	<u>192,178</u>
General Expenses		
Governmental activities - public safety		
Personnel services		
Operating expenses	77,840	113,588
Depreciation	62,444	60,398
Interest expense	<u>3,708</u>	<u>5,497</u>
Total expenses	<u>143,992</u>	<u>179,483</u>
Increase in net position	29,993	12,695
Net position, beginning of year	<u>311,682</u>	<u>298,987</u>
Net position, end of year	<u>\$ 341,675</u>	<u>\$ 311,682</u>

CAPITAL ASSETS AND DEBT

As of December 31, 2016, the District had \$871,686 invested in capital assets net of accumulated depreciation of \$524,112. During the year expenditures of \$77,799 were made to acquire capital assets.

As of December 31, 2016, the District had outstanding long-term debt of \$104,826.

MONTEREY FIRE PROTECTION DISTRICT NO. 1
(A Component Unit of the Concordia Parish Police Jury)
MANAGEMENT DISCUSSION & ANALYSIS (MD&A)
YEAR ENDED DECEMBER 31, 2016

During the year the District purchased the following capital assets.

Boggy Bayou Station	\$59,784	
Turnout gear	12,750	(Paid with 50% grant funds)
Hose sections	<u>5,265</u>	(Paid with 50% grant funds)
Total assets added	<u>\$77,799</u>	

MANAGEMENT COMMENT

The Fire District met most of its goals last year and we are expecting to continue to grow our little department this year. We will add a new rescue truck this year as well as several Emergency Medical Technicians. We have completed construction of our new fire station on the north end of our district and will have it fully operational very soon. This station will house a pumper truck as well as a 3000 gallon tanker truck which was paid for in full by our parcel fee. We also plan to replace one of our aging pumpers this year as part of our ongoing efforts to upgrade our equipment. We have been able to recruit additional volunteers but are still short on man power. Recruitment and training will be our main focus for the upcoming year.

We continue to be very proud and excited about our fire department and will continue our efforts to upgrade and modernize our equipment in the year to come.

REQUEST FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or request for additional information may be directed to Jim Graves, Secretary/Treasurer at (601) 304-5350.

Section II

Affidavit

Monterey Fire Protection District No. 1
Concordia Parish, Louisiana
Monterey, Louisiana

ANNUAL SWORN FINANCIAL STATEMENTS

AFFIDAVIT

Personally came and appeared before the undersigned authority, Jim Graves, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Monterey Fire Protection District No. 1 as of December 31, 2016, and the results of operations for the year ended, in accordance with the basis of accounting described within the accompanying financial statements.



Signature

Sworn to and subscribed before me, this 29th day of June, 2017.


NOTARY PUBLIC 30650

Officer: Secretary/Treasurer
Address: P O Box 335
Monterey, LA 71354
Telephone Number: (601)304-5350

Section III

Basic Financial Statements

Monterey Fire Protection District No. 1
Monterey, Louisiana
Statement of Net Position
December 31, 2016

ASSETS

Cash	\$ 11,512
Accounts receivable, taxes and grants	90,599
Capital assets, net	<u>347,574</u>
 Total Assets	 <u>\$ 449,685</u>

LIABILITIES

Accrued liabilities	\$ 3,184
Current portion – loans payable	16,666
Long-term portion – loans payable	<u>88,160</u>
 Total Liabilities	 <u>\$ 108,010</u>

NET POSITION

Invested in capital assets, net of related debt	\$ 242,748
Unrestricted	<u>98,927</u>
 Total Net Position	 <u>\$ 341,675</u>

See accountant's compilation report and notes to the financial statements.

Monterey Fire Protection District No. 1
 Monterey, Louisiana
 Statement of Activities
 Year ended December 31, 2016

GENERAL REVENUES

Taxes	
Ad valorem taxes	\$ 102,134
Federal in lieu of taxes	1,984
Grants – state	9,007
Interest income	120
Other revenue	<u>60,740</u>
 Total general revenues	 <u>\$ 173,985</u>

GENERAL EXPENSES

Governmental activities – public safety	
Operating services	\$ 77,840
Depreciation	62,444
Interest expense	<u>3,708</u>
 Total general expenses	 <u>\$ 143,992</u>
 Changes in net position	 \$ 29,993
 Net position – beginning of year	 <u>311,682</u>
 Net position – end of year	 <u>\$ 341,675</u>

See accountant's compilation report and notes to the financial statements.

Monterey Fire Protection District No. 1
Monterey, Louisiana
Balance Sheet
December 31, 2016

ASSETS	
Cash	\$ 11,512
Accounts receivable, taxes and grants	<u>90,599</u>
Total assets	<u>\$ 102,111</u>
LIABILITIES AND FUND BALANCE	
Accrued liabilities	<u>\$ 3,184</u>
Total liabilities	<u>\$ 3,184</u>
Fund balance – unreserved	<u>\$ 98,927</u>
Total fund balance	<u>\$ 102,111</u>
Total liabilities and fund balance	<u>\$ 102,111</u>

See accountant's report and notes to the financial statements.

Monterey Fire Protection District No. 1
Monterey, Louisiana
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
December 31, 2016

Fund balances, total governmental funds \$ 98,927

Amounts reported for governmental activities in the statement of net position are different because:

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

Cost of capital assets	\$ 871,686	
Less accumulated depreciation	<u>524,112</u>	347,574

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

Long-term liabilities	<u>(104,826)</u>
-----------------------	------------------

Net position of governmental activities	<u>\$ 341,675</u>
---	-------------------

See accountant's compilation report and notes to the financial statement.

Monterey Fire Protection District No. 1
 Monterey, Louisiana
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year ended December 31, 2016

REVENUES

Taxes	
Ad valorem taxes	\$ 102,134
Federal in lieu of taxes	1,984
Grants, state	9,007
Interest income	120
Other revenue	<u>60,740</u>

Total general revenues	\$ <u>173,985</u>
------------------------	-------------------

EXPENDITURES

Public safety – fire	
Operating services	\$ <u>77,840</u>

Total public safety – fire	\$ <u>77,840</u>
----------------------------	------------------

Capital outlays	\$ <u>77,799</u>
-----------------	------------------

Debt service	
Principal retirement	\$ 16,261
Interest expense	<u>3,708</u>

Total debt service	\$ <u>19,969</u>
--------------------	------------------

Total expenditures	\$ <u>175,608</u>
--------------------	-------------------

Net change in fund balances (deficit)	(\$ 1,623)
Fund balance, beginning of year	<u>100,550</u>
Fund balance, end of year	<u>\$ 98,927</u>

See accountant's compilation report and notes to the financial statements.

Monterey Fire Protection District No. 1
Monterey, Louisiana
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance
Year ended December 31, 2016

Net changes in fund balance, total governmental funds (\$ 1,623)

Amounts reported for governmental activities in the statement are different because:

Governmental funds report capital outlays as expenditures

Donated assets are not recorded in governmental funds.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay, which is considered expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balance 77,799

Less current year depreciation (62,444)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that additions to debt of \$0 is less than debt repayments of \$16,261 16,261

Change in net position per statement of activities \$ 29,993

See accountant's compilation report and notes to the financial statements.

Monterey Fire Protection District No. 1

Monterey, Louisiana

Notes to the Financial Statements

December 31, 2016

INTRODUCTION

1. The Concordia Parish Police Jury created the Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana by ordinance. The District operates in compliance with Part II, Title 40:1492-1502 of the Louisiana Revised Statutes.
2. The purpose of the District is to provide fire protection.
3. The District's boundaries are outside of the corporate limits of any municipality in Concordia Parish and outside the Concordia Fire Protection District No. 1. Concordia Parish is located in East Central Louisiana.
4. A Board of Supervisors appointed by the Concordia Parish Police jury governs the District. The board consists of five members and is presently serving without compensation.
5. The District had no full-time employees.

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 activities of the Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana (hereafter referred to as the District).

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 taxes, interest, and other items that are restricted to meeting the operational or capital requirements of a particular function or segment.

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 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 soon as all eligibility requirements imposed by the provider have been met.

C. Basis of Accounting

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

1. Revenues

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

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

Substantially all other revenues are recorded when received.

2. Expenditures

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

The district reports the following governmental fund:

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

D. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the entity to invest in collateralized certificates of deposit, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

E. Receivables

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

F. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable government-wide financial statements. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

G. 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.

H. Budget practices

A proposed operating budget is planned to be prepared on the modified accrual basis of accounting, is approved by the Board of Commissioners, and is adopted in accordance with the Local Government Budget Law. The proposed operating budget is legally adopted and amended, as necessary, by the District. All appropriations lapse at year-end.

Formal budget integration is employed as a management control device. Budget amounts included in the accompanying financial statements include the original budget amounts and all subsequent amendments, if any.

During 2016, the District did not adopt a budget as planned.

NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2016, the District has cash and cash equivalents (book balances) totaling \$11,516. The cash was held in interest-bearing demand deposit accounts.

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or 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.

NOTE 3 – RECEIVABLES

The receivables of \$90,599 at December 31, 2016, are as follows:

Ad valorem	\$81,592
Grant Receivable	9,007
Less allowance for doubtful accounts	<u>-</u>
Total receivables	<u>\$90,599</u>

NOTE 4 – CAPITAL ASSETS

Capital assets and depreciation activities as of and for the year ended December 31, 2016, for the primary government is as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Buildings	\$ 109,000	\$ 59,784	\$ -	\$ 168,784
Equipment	<u>684,887</u>	<u>18,015</u>	<u>-</u>	<u>702,902</u>
Total capital assets being depreciated	<u>\$ 793,887</u>	<u>\$ 77,799</u>	<u>\$ -</u>	<u>\$ 871,686</u>
Less accumulated depreciation for:				
Buildings	\$ (52,400)	\$ (2,649)	\$ -	\$ (55,049)
Equipment	<u>(409,268)</u>	<u>(59,795)</u>	<u>-</u>	<u>(469,063)</u>
Total accumulated depreciation	<u>\$ (461,668)</u>	<u>\$ (62,444)</u>	<u>\$ -</u>	<u>\$ (524,112)</u>
Total capital assets	<u>\$ 332,219</u>	<u>\$ 15,355</u>	<u>\$ -</u>	<u>\$ 347,574</u>

Depreciation expense of \$62,444 for the year ended December 31, 2016, was charged to the public safety functions.

NOTE 5 – LONG-TERM DEBT

At December 31, 2016, long-term debt was comprised of the following:

\$170,000 note payable due in annual installments of \$19,968 beginning July 15, 2013, interest at 3.15%	<u>\$104,826</u>
	<u>\$104,826</u>

The following is a summary of the long-term debt transactions for the year ended December 31, 2016:

Long-term debt, beginning of year	\$ 121,087
Debt issued during the year	0
Debt retired during the year	<u>(16,261)</u>
Balance at end of year	<u>\$104,826</u>

The maturity schedule for the debt is as follows:

2016	\$ 16,111
2017	16,666
2018	17,191
2019	17,732
Thereafter	<u>37,126</u>
Total	<u>\$104,826</u>

NOTE 6 – TAXES

The District is authorized to levy a maximum tax of 9.590 mills annually on property within the boundaries of the District for maintenance and operation of the District. The District levied 9.300 mills.

NOTE 7 – PENSION PLANS

The District has no employees that would require participation in a retirement system.

NOTE 8 – LITIGATION AND CLAIMS

The District is not involved in any litigation at December 31, 2016, nor is aware of any unasserted claims.

NOTE 9 – SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

Agency Head Name: Marilyn Book

Expense Reimbursements - \$1,312.60