

**NORTHEAST UNION FIRE DISTRICT**  
**Marion, Louisiana**

**Annual Financial Statements**

**As of and for the Year Ended**  
**December 31, 2016**

NORTHEAST UNION FIRE DISTRICT  
Marion, Louisiana

Annual Financial Statements  
As of and for the Year Ended December 31, 2016

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**M. CARLEEN DUMAS**  
**Certified Public Accountant**  
**369 Donaldson Road. Calhoun, Louisiana. Telephone 318/644-5726**

**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, 2016, and the related notes to the financial statements 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, 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. I have not audited or reviewed the information, and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

**Member of the American Institute of Certified Public Accountants**  
**Member of the Society of Louisiana of Certified Public Accountants**

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. The Management's Discussion and Analysis, 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.

/s Carleen Dumas  
Calhoun, Louisiana  
June 12, 2017

## **BASIC FINANCIAL STATEMENTS**

**Statement A**

NORTHEAST UNION FIRE DISTRICT  
Marion, Louisiana

STATEMENT OF NET POSITION  
December 31, 2016

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash	\$186,408
Investments - certificates of deposit	257,847
Receivables	114,624
Capital assets, net	<u>563,527</u>
TOTAL ASSETS	<u>1,122,406</u>
<b>LIABILITIES</b>	
Accounts payable	<u>1,607</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Property taxes	<u>114,624</u>
<b>NET POSITION</b>	
Net investment in capital assets	563,527
Unrestricted	<u>442,648</u>
TOTAL NET POSITION	<u><u>\$1,006,175</u></u>

See accompanying notes and accountant's compilation report.

**Statement B**NORTHEAST UNION FIRE DISTRICT  
Marion, LouisianaSTATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2016

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>Expenses:</b>	
Public safety - fire protection	\$106,932
<b>Program Revenues:</b>	
Capital grant	7,500
Net (expense) revenue	<u>(99,432)</u>
<b>General revenues:</b>	
Property taxes	110,261
State fire insurance rebate	11,220
Interest earnings	1,030
Total general revenues	<u>122,511</u>
<b>Change in net position</b>	23,079
<b>Net position - beginning</b>	<u>983,096</u>
<b>Net position - ending</b>	<u><u>\$1,006,175</u></u>

See accompanying notes and accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT  
Marion, Louisiana

BALANCE SHEET - GOVERNMENTAL FUND  
December 31, 2016

	<u>GENERAL FUND</u>
<b>ASSETS</b>	
Cash	\$186,408
Investments - certificates of deposit	257,847
Receivables	<u>114,624</u>
TOTAL ASSETS	<u><u>\$558,879</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$1,607
<b>DEFERRED INFLOW OF RESOURCES</b>	
Property taxes	114,624
<b>FUND BALANCE</b>	
Unassigned	<u>442,648</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE	<u><u>\$558,879</u></u>

**Reconciliation of the Balance Sheet of Governmental Fund  
To the Statement of Net Position:**

Fund balance - unassigned - General Fund	\$442,648
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	<u>563,527</u>
Net position of governmental activities (Statement A)	<u><u>\$1,006,175</u></u>

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, 2016

	<u>GENERAL FUND</u>
<b>REVENUES</b>	
Property taxes	\$110,261
Intergovernmental revenues:	
State fire insurance rebate	11,220
State grant	7,500
Investment income	<u>1,030</u>
Total revenues	<u>130,011</u>
<b>EXPENDITURES</b>	
Public safety - fire protection:	
Current:	
Operating services	19,605
Materials and supplies	11,034
Other	2,849
Capital outlay	<u>8,184</u>
Total expenditures	<u>41,672</u>
<b>NET CHANGE IN FUND BALANCE</b>	88,339
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>354,309</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$442,648</u></u>

(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, 2016

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	\$88,339
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 which depreciation expense exceeded capital outlay expenditures in the current period.	<u>(65,260)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$23,079</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, 2016

**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.

**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, 2016, the district's investments consists of nonnegotiable certificates of deposit with original maturities that exceed 90 days that are reported in the accompanying financial

NORTHEAST UNION FIRE DISTRICT  
Notes to the Financial Statements

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, 2016.

**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.

**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, 2016, 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

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT  
Notes to the Financial Statements

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.

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 and amendments during the year.

**3. DEPOSITS IN FINANCIAL INSTITUTIONS**

At December 31, 2016, the district has cash (book balances) as follows:

Non-interest bearing checking account	\$186,408
Investments - certificates of deposit	<u>257,847</u>
Total	<u><u>\$444,255</u></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, 2016, are \$452,190, and are fully secured from risk by federal deposit insurance.

**4. RECEIVABLES**

The following is a summary of receivables at December 31, 2016:

Property taxes	\$114,624
Allowance for doubtful accounts	<u>NONE</u>
Total	<u><u>\$114,624</u></u>

**5. CAPITAL ASSETS**

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

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT  
Notes to the Financial Statements

	Balance at January 1, 2016	Increases	Decreases	Balance at December 31, 2016
Governmental activities:				
Capital assets being depreciated:				
Buildings	\$286,146			\$286,146
Vehicles	686,221			686,221
Equipment	258,932	\$8,184		267,116
Total capital assets being depreciated	<u>\$1,231,299</u>	<u>\$8,184</u>	<u>NONE</u>	<u>\$1,239,483</u>
Less accumulated depreciation for:				
Buildings	73,602	7,279		80,881
Vehicles	342,815	47,366		390,181
Equipment	186,095	18,799		204,894
Total accumulated depreciation	<u>602,512</u>	<u>73,444</u>	<u>NONE</u>	<u>675,956</u>
Total assets being depreciated, net	<u>\$628,787</u>	<u>(\$65,260)</u>	<u>NONE</u>	<u>\$563,527</u>

Depreciation expense of \$73,444 for the year ended December 31, 2016 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**

On January 9, 2017, the district purchased a new vehicle for a total cost of \$302,859.

The district has evaluated subsequent events through June 12, 2016, 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, 2016

	Budgeted .....Amounts.....		Actual Amounts (Budgetary Basis - GAAP)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$130,000	\$110,000	\$110,261	\$261
Intergovernmental revenue:				
State fire insurance rebate	12,500	12,500	11,220	(1,280)
Forestry grants	2,500	7,500	7,500	
Investment income	1,050	1,050	1,030	(20)
Other income	2,000			
Total revenues	<u>148,050</u>	<u>131,050</u>	<u>130,011</u>	<u>(1,039)</u>
<b>EXPENDITURES</b>				
Public safety - fire protection:				
Current:				
Operating services	26,000	26,800	19,605	7,195
Materials and supplies	30,500	13,000	11,034	1,966
Other	11,500	3,200	2,849	351
Capital outlay	<u>120,000</u>		<u>8,184</u>	<u>(8,184)</u>
Total expenditures	<u>188,000</u>	<u>43,000</u>	<u>41,672</u>	<u>1,328</u>
<b>NET CHANGE IN FUND BALANCE</b>	(39,950)	88,050	88,339	289
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>39,950</u>	NONE	<u>354,309</u>	<u>354,309</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>NONE</u>	<u>\$88,050</u>	<u>\$442,648</u>	<u>\$354,598</u>

There was one budget amendment during the year ended December 31, 2016.

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, 2016

**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 Act 706 of the 2016 Session 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.

**Schedule 2**

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, 2016

**BOARD COMPENSATION**

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

See accountant's compilation report.