

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

**Annual Financial Statements**

**As of and for the Year Ended**  
**December 31, 2012**

NORTHEAST UNION FIRE DISTRICT  
Marion, Louisiana

Annual Financial Statements  
As of and for the Year Ended December 31, 2012

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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

I have compiled the accompanying financial statements of the governmental activities and major fund of the Northeast Union Fire District (the "District") as of and for the year ended December 31, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America

Management of the District 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 and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the District in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The budgetary comparison information on page 16 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or provide any assurance on the supplementary information.

Management has not presented the Management's Discussion and Analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

/s Carleen Dumas  
Calhoun, Louisiana  
June 7, 2013

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

## **BASIC FINANCIAL STATEMENTS**

**Statement A**

NORTHEAST UNION FIRE DISTRICT  
Marion, Louisiana

STATEMENT OF NET POSITION  
December 31, 2012

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash	\$15,981
Investments - certificates of deposit	273,227
Receivables	188,175
Capital assets, net	<u>573,595</u>
TOTAL ASSETS	<u>1,050,978</u>
<b>LIABILITIES</b>	
Accounts payable	981
Deferred revenue	<u>184,760</u>
TOTAL LIABILITIES	<u>185,741</u>
<b>NET POSITION</b>	
Net investment in capital assets	573,595
Unrestricted	<u>291,642</u>
TOTAL NET POSITION	<u><u>\$865,237</u></u>

See accompanying notes and accountant's compilation report.

**Statement B**

NORTHEAST UNION FIRE DISTRICT  
Marion, Louisiana

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2012

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>Expenses:</b>	
Public safety - fire protection	\$92,584
<b>Program revenues:</b>	
Capital grants	<u>8,522</u>
Net program expense	<u>(84,062)</u>
<b>General revenues:</b>	
Property taxes	146,926
State fire insurance rebate	9,864
Interest earnings	<u>1,550</u>
Total general revenues	<u>158,340</u>
<b>Change in net position</b>	74,278
<b>Net position - beginning</b>	<u>790,959</u>
<b>Net position - ending</b>	<u><u>\$865,237</u></u>

See accompanying notes and accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT  
Marion, Louisiana

BALANCE SHEET - GOVERNMENTAL FUND  
December 31, 2012

	<u>GENERAL FUND</u>
<b>ASSETS</b>	
Cash	\$15,981
Investments - certificates of deposit	273,227
Receivables	<u>188,175</u>
TOTAL ASSETS	<u><u>\$477,383</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts payable	\$981
Deferred revenue	<u>184,760</u>
Total liabilities	185,741
Fund balance - unassigned	<u>291,642</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$477,383</u></u>
<b>Reconciliation of the Balance Sheet of Governmental Fund To the Statement of Net Position:</b>	
Fund balance - unassigned - General Fund	\$291,642
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>573,595</u>
Net position of governmental activities (Statement A)	<u><u>\$865,237</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, 2012

	<u>GENERAL FUND</u>
<b>REVENUES</b>	
Property taxes	\$146,926
Intergovernmental revenues:	
State fire insurance rebate	9,864
Forestry grants	8,522
Investment income	1,550
Total revenues	<u>166,862</u>
<b>EXPENDITURES</b>	
Public safety - fire protection:	
Current:	
Operating services	23,235
Materials and supplies	5,321
Other	7,219
Capital outlay	78,653
Total expenditures	<u>114,428</u>
<b>NET CHANGE IN FUND BALANCE</b>	52,434
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>239,208</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$291,642</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, 2012

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	\$52,434
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 capital outlay expenditures exceeded depreciation expense in the current period.	
Change in net position of governmental activities (Statement B)	<u>21,844</u> <u>\$74,278</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, 2012

## 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 amounts 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, 2012, the district's investments consists of a nonnegotiable certificate of deposit with an original maturity that exceeds 90 days that is 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, 2012.

**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	10 years

**F. Net Assets/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.

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT  
Notes to the Financial Statements

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, 2012, the district had only unassigned fund balance in the General Fund.

**G. 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.

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.

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT  
Notes to the Financial Statements

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

**3. DEPOSITS IN FINANCIAL INSTITUTIONS**

At December 31, 2012, the district has cash (book balances) as follows:

Non-interest bearing checking account	\$15,981
Investments - certificates of deposit	<u>273,227</u>
Total	<u>\$289,208</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, 2012, are \$296,126 and are fully secured from risk by federal deposit insurance.

**4. RECEIVABLES**

The following is a summary of receivables at December 31, 2012:

Property taxes	\$184,760
Forestry grant	3,415
Allowance for doubtful accounts	<u>NONE</u>
Total	<u>\$188,175</u>

**5. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2012, is as follows:

	Balance at January 1, 2012	Increases	Decreases	Balance at December 31, 2012
Governmental activities:				
Capital assets being depreciated:				
Buildings	\$243,971			\$243,971
Vehicles	437,190	\$48,242		485,432
Equipment	207,099	30,411		237,510

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT  
Notes to the Financial Statements

Total capital assets being depreciated	<u>\$888,260</u>	<u>\$78,653</u>	<u>NONE</u>	<u>\$966,913</u>
Less accumulated depreciation for:				
Buildings	46,334	6,224		52,558
Vehicles	183,711	28,173		211,884
Equipment	<u>106,464</u>	<u>22,412</u>		<u>128,876</u>
Total accumulated depreciation	<u>336,509</u>	<u>56,809</u>	<u>NONE</u>	<u>393,318</u>
Total assets being depreciated, net	<u>\$551,751</u>	<u>\$21,844</u>	<u>NONE</u>	<u>\$573,595</u>

Depreciation expense of \$56,809 for the year ended December 31, 2012 was charged to the public safety - fire protection governmental function.

**6. GRANTS**

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies. If any expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the district. In the opinion of management, any such adjustments would not be material to the district's operating results or fund balances.

**7. 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.

**8. SUBSEQUENT EVENTS**

The district has evaluated subsequent events through June 7, 2013, 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, 2012

	Budgeted .....Amounts.....		Actual Amounts (Budgetary Basis - GAAP)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$147,000	\$147,000	\$146,926	(\$74)
Intergovernmental revenue:				
State fire insurance rebate	10,000	10,000	9,864	(136)
Forestry grants	5,200	5,200	8,522	3,322
Investment income	1,550	1,550	1,550	
Other income	4,100	4,100		(4,100)
Total revenues	<u>167,850</u>	<u>167,850</u>	<u>166,862</u>	<u>(988)</u>
<b>EXPENDITURES</b>				
Public safety - fire protection:				
Current:				
Operating services	30,600	30,600	23,235	7,365
Materials and supplies	40,000	40,000	5,321	34,679
Other	8,000	8,000	7,219	781
Capital outlay	46,000	46,000	78,653	(32,653)
Total expenditures	<u>124,600</u>	<u>124,600</u>	<u>114,428</u>	<u>10,172</u>
<b>NET CHANGE IN FUND BALANCE</b>	43,250	43,250	52,434	9,184
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>NONE</u>	<u>NONE</u>	<u>239,208</u>	<u>239,208</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$43,250</u>	<u>\$43,250</u>	<u>\$291,642</u>	<u>\$248,392</u>

There were no budget amendments during the year ended December 31, 2012.

See accountant's compilation report.