

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

Annual Financial Statements

As of and for the Year Ended
December 31, 2023

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

Annual Financial Statements
As of and for the Year Ended December 31, 2023

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M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

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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 (the "District"), a component unit of Union Parish, as of and for the year ended December 31, 2023, 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.

Management has omitted the budgetary comparison schedule and 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.

I am not independent with respect to Northeast Union Fire District for the year ended December 31, 2023.

Carleen Dumas

Calhoun, Louisiana
June 25, 2024

BASIC FINANCIAL STATEMENTS

Statement A

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

STATEMENT OF NET POSITION
December 31, 2023

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash	\$137,930
Investments - certificates of deposit	183,947
Capital assets, net	<u>631,312</u>
TOTAL ASSETS	<u>953,189</u>
LIABILITIES	
Accounts payable	<u>4,300</u>
NET POSITION	
Net investment in capital assets	631,312
Unrestricted	<u>317,577</u>
TOTAL NET POSITION	<u><u>\$948,889</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, 2023**

	<u>GOVERNMENTAL ACTIVITIES</u>
Expenses:	
Public safety - fire protection	<u>(\$111,690)</u>
General revenue:	
Property taxes	63,953
State fire insurance rebate	16,094
Interest earnings	<u>5,045</u>
Total general revenue	<u>85,092</u>
Change in net position	(26,598)
Net position - beginning	<u>975,487</u>
Net position - ending	<u><u>\$948,889</u></u>

See accompanying notes and accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

BALANCE SHEET - GOVERNMENTAL FUND
December 31, 2023

	GENERAL FUND
ASSETS	
Cash	\$137,930
Investments - certificates of deposit	183,947
TOTAL ASSETS	\$321,877
LIABILITIES	
Accounts payable	\$4,300
FUND BALANCE	
Unassigned	317,577
TOTAL LIABILITIES AND FUND BALANCE	\$321,877
 Reconciliation of the Balance Sheet of Governmental Fund To the Statement of Net Position:	
Fund balance - unassigned - General Fund	\$317,577
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	631,312
Net position of governmental activities (Statement A)	\$948,889

See accompanying notes and accountant's compilation report.

Statement D

**NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana**

**STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
For the Year Ended December 31, 2023**

	<u>GENERAL FUND</u>
REVENUE	
Property taxes	\$63,953
Intergovernmental revenue - state fire insurance rebate	16,094
Investment income	<u>5,045</u>
Total revenue	<u>85,092</u>
EXPENDITURES	
Public safety - fire protection:	
Current:	
Operating services	29,690
Materials and supplies	16,148
Other	479
Capital outlay	<u>63,850</u>
Total expenditures	<u>110,167</u>
NET CHANGE IN FUND BALANCE	(25,075)
FUND BALANCE AT BEGINNING OF YEAR	<u>342,652</u>
FUND BALANCE AT END OF YEAR	<u><u>\$317,577</u></u>

(Continued)

See accompanying notes and accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND (Contd.)
For the Year Ended December 31, 2023

	<u>GENERAL FUND</u>
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities:	
Net change in fund balance - General Fund	(\$25,075)
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
The General Fund reports 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 depreciation expense exceeded capital outlay expenditures in the current period.	<u>(1,523)</u>
Change in net position of governmental activities (Statement B)	<u><u>(\$26,598)</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, 2023

INTRODUCTION

The Northeast Union Fire District (the "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 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 District.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 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 revenue are reported as general revenue.

All individual governmental funds are reported as separate columns in the fund financial statements. The 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. Revenue is 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 revenue 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. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenue is considered to be available if it is 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 a fiscal period are considered to be susceptible to accrual and are recognized as revenue in that fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The 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, 2023, the District's investments consists of nonnegotiable certificates of deposit with original maturities that exceed 90 days that are 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.

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Notes to the Financial Statements

D. Property Taxes

Property taxes are levied on a calendar year basis and become due on January 1 of each year. Property taxes are recognized as revenue in the year for which they are levied; therefore, the property tax recognized as revenue for the year ended December 31, 2023, was a result of the 2022 property tax levy. The property taxes are collected by the Union Parish Sheriff and remitted to the District on a monthly basis. The District's 7.56 mills property tax for maintenance and operation of the District expired with the 2022 tax year and therefore no taxes were levied for the District on the 2023 tax roll. On April 27, 2024, the voters of the District approved a 10 mills property tax for operating and maintaining fire protection in the District for a period of ten years, beginning with the year 2024 and ending with the year 2033.

E. Capital Assets

Capital assets, which include land, construction in progress, 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 except for donated assets which are recorded at market value on the date of donation. The 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, except land and construction in progress, 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. 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.

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, 2023, the District has 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 revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget Information

The District did not adopt a budget for the General Fund for the year ended December 31, 2023.

3. DEPOSITS IN FINANCIAL INSTITUTIONS

At December 31, 2023, the District has cash (book balances) as follows:

Non-interest bearing checking account	\$137,930
Investments - certificates of deposit	<u>183,947</u>

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Notes to the Financial Statements

Total \$321,877

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, 2023, are \$322,257 and are fully secured from risk by federal deposit insurance.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2023, is as follows:

	Balance at January 1, 2023	Increases	Decreases	Balance at December 31, 2023
Governmental activities:				
Capital assets not being depreciated:				
Land	\$4,500			\$4,500
Construction in progress	1,605	\$63,850		65,455
Total capital assets not being depreciated:	<u>6,105</u>	<u>63,850</u>	NONE	<u>69,955</u>
Capital assets being depreciated:				
Buildings	\$295,761			295,761
Vehicles	992,994			992,994
Equipment	376,961			376,961
Total capital assets being depreciated	<u>1,665,716</u>	NONE	NONE	<u>1,665,716</u>
Less accumulated depreciation for:				
Buildings	125,212	7,552		132,764
Vehicles	612,851	44,148		656,999
Equipment	300,923	13,673		314,596
Total accumulated depreciation	<u>1,038,986</u>	<u>65,373</u>	NONE	<u>1,104,359</u>
Total assets being depreciated, net	<u>626,730</u>	<u>(65,373)</u>	NONE	<u>561,357</u>
Total capital assets, net	<u>\$632,835</u>	<u>(\$1,523)</u>	NONE	<u>\$631,312</u>

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Notes to the Financial Statements

Depreciation expense of \$65,373 for the year ended December 31, 2023 was charged to the public safety - fire protection governmental function. Construction in progress consists of construction costs for the Haile Fire Station project.

5. 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.

6. SUBSEQUENT EVENTS

The District has evaluated subsequent events through June 25, 2024, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION SCHEDULE

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 2023

**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.

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, 2023

BOARD COMPENSATION

Agency Head - Virgil Brantley - President	NONE
Craig Armstrong	NONE
Bill Love	NONE
Huey Rhodes	NONE
Bill Thurston	NONE

NORTHEAST UNION FIRE DISTRICT
Marion, Louisiana

CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2023

2023-001 Noncompliance with Local Government Budget Act

Criteria: The Local Government Budget Act requires the District to adopt an annual budget for the General Fund in an open meeting of the Board of Commissioners before the beginning of the fiscal year.

Condition: The District did not adopt a budget for the General Fund for the year ended December 31, 2023.

Cause: Oversight.

Effect: Noncompliance with the Local Government Budget Act.

Recommendation: The District should adopt a budget for the General Fund for the year ending December 31, 2024, at the next meeting of the Board of Commissioners and it should adopt an annual budget prior to January 1 of each subsequent year thereafter.

Management's Response: The District will adopt a budget for the General Fund for the year ending December 31, 2024, and all fiscal years thereafter.