

# **CONCORD FIRE DISTRICT**

**Oak Grove, Louisiana**

**Annual Financial Report  
As of and for the Year Ended  
December 31, 2011**

**PREPARED BY:**

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**CONCORD FIRE DISTRICT**  
**Oak Grove, Louisiana**

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**As of and for the Year Ended December 31, 2011**

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**Oak Grove, Louisiana**

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Independent Auditor's Report

Board of Directors  
Concord Fire District  
Oak Grove, Louisiana

I have audited the accompanying financial statements of the governmental activities of the Concord Fire District, a component unit of the West Carroll Parish Police Jury, as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Concord Fire District's management. My responsibility is to express opinions on these financial statements, based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Concord Fire District, as of December 31, 2011, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 26, 2012, on my consideration of the Concord Fire District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

As described in Note 9, due to a step-up from a compilation to an audit, the District has implemented the new financial reporting model as required by the provisions of GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, as of December 31, 2011.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9 and 28 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. Additionally, I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The accompanying supplemental information is listed in the table of contents under Supplementary Information presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, therefore, I express no opinion on them.



Jimmie Self, CPA  
Monroe, Louisiana  
June 26, 2012

Required Supplementary Information  
(Part I)

Management Discussion and Analysis

**CONCORD FIRE DISTRICT**  
**Oak Grove, Louisiana**  
**Management Discussion and Analysis**  
**December 31, 2011**

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As management of the Concord Fire District we offer readers the Management's Discussion and Analysis (MD&A), a narrative overview and examination of the financial activities for the year ended December 31, 2011. The MD&A is designed to provide an objective and easy to read evaluation of the District's financial activities based on currently known facts, decisions, and conditions. It is also intended to provide readers with a broad overview of the District's finances and an analysis of short-term and long-term activities of the District based on information presented in the financial report and fiscal policies that have been adopted. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the financial activity, identify changes in the District's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify fund issues or concerns.

As with other sections of the financial report, the information contained within the MD&A should be considered only a part of the greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes (Notes to the Financial Statements), reports, and the other Financial Statements and Schedules (Required Supplementary Information) that are provided in addition to this Management Discussion and Analysis.

**Overview of Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The basic financial statements consist of the following components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements
4. Other Supplementary Information, which is in addition to the basic financial statements themselves.

**1. Government-Wide Financial Statements**

Government-Wide Financial Statements are designed by GASB Statement No. 34 to change the way in which government financial statements are presented. It now provides readers for the first time a concise "entity-wide" Statement of Net Assets and Statement of Activities, seeking to give the user of the financial statements a broad overview of the District's financial position and results of operations in a manner similar to a private-sector business.

A. The *Statement of Net Assets* presents information on all the District's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the assets and liabilities is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or weakening.



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**December 31, 2011**

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B. The *Statement of Activities* presents information showing how government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

The government-wide financial statements further assist the reader in their evaluation by distinguishing functions of the District into:

- A. *Governmental activities* that are principally supported by taxes and intergovernmental revenues, and
- B. *Business-type activities* that are intended to recover all or a significant portion of their costs through user fees and charges.

**Financial Highlights**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the District as a whole and present a longer term view of the District's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. The District maintains one governmental fund, for daily operations.

Summary of Statement of Net Assets			
	Governmental Activities		
	2010	2011	
Current and other assets	8,295	20,261	
Capital Assets	706,916	511,331	
<b>Total Assets</b>	<b>715,211</b>	<b>531,592</b>	
Current Liabilities	-	1,308	
Long-Term Liabilities	45,635	76,772	
<b>Total Liabilities</b>	<b>45,635</b>	<b>78,080</b>	
<b>Net Assets</b>			
Invested in capital Assets			
net of related debt	661,281	433,251	
Unrestricted	8,295	20,261	
<b>Total net assets</b>	<b>715,211</b>	<b>453,512</b>	

Note: At 12/31/2010, Capital Assets of \$514,354 did not show accumulated depreciation, since the prior years' compilations did not compute accumulated depreciation. At 12-31-2011, depreciation had been computed, which resulted in a prior period adjustment of \$437,950.

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**Oak Grove, Louisiana**  
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**Governmental Activities**

The Governmental Activities of the District include General Government and Public Safety. Sales taxes collected and distributed by the West Carroll Parish Police Jury, insurance rebates, interest, and grants fund most of these governmental activities.

Here we show the District's activities related to those functions typically associated with governments. In the chart below, General government is the only fund which provides fire protection.

Governmental Activities Expenditures	2010	%	2011	%
Public Safety – Fire Protection	\$ 64,397	100	\$ 164,161	100
Interest on Long-Term Debt	-		-	
Total Program expenses/Revenue	<u>\$ 64,397</u>	<u>100</u>	<u>\$ 164,161</u>	<u>100</u>

General revenues are those available for the District to use to pay for the governmental activities as described above.

General Revenues	2010	%	2011	%
Sales Taxes - W.C. Parish Police Jury	\$ 59,954	85	\$ 59,953	16
Insurance Rebate	-	-	6,967	2
Donations	-	0	0	0
Investment Income	-	-	0	-
Grant Income	-	-	241,324	62
Loan Proceeds	-	-	77,803	20
Special Revenue - Sold Truck	10,000	15	-	-
Total General Revenues	<u>69,954</u>	<u>100</u>	<u>386,047</u>	<u>100</u>
Change in Net Assets	221,886		221,887	
Net Assets, Beginning of Year, originally	669,576		669,576	
Prior Period Adjustment	(437,950)		(437,950)	
Net Assets, as Restated, Beginning of yr	231,626		231,626	
Net Assets, End of Year	<u>\$ 453,512</u>		<u>\$ 387,548</u>	

For the prior year ended December 31, 2010, Sales Taxes were the largest revenue source for the District comprising 85% of total governmental revenue. Second largest revenue source for the District was revenue from the sale of a truck comprising 15% of the total governmental revenue.

For the current year ended December 31, 2011, the Grant Income of \$241,324 was the largest revenue source for the District ( 62%). Loan proceeds in the amount of \$77,803 is

**CONCORD FIRE DISTRICT**  
**Oak Grove, Louisiana**  
**Management Discussion and Analysis**  
**December 31, 2011**

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the second largest revenue source for the District comprising 20% of the total governmental revenue.

#### 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. The District, like any other state or local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There is only a governmental fund in the Fire District.

A. Governmental funds are used to account for most of the District's basic services as reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Those funds are reported using modified accrual accounting that measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general governmental operations and basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are located on pages 15 and 17.

The District maintains one governmental fund. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund. The basic governmental fund financial statements can be found on pages 14 and 16 of this report.

#### *Financial Analysis of Government Funds*

At the close of the previous fiscal year ended December 31, 2010, the District's governmental funds reported combined ending fund balances of \$669,576.

At the close of the current fiscal year ended December 31, 2011, the District's governmental funds reported fund balances of 18,954

**CONCORD FIRE DISTRICT**  
**Oak Grove, Louisiana**  
**Management Discussion and Analysis**  
**December 31, 2011**

CHANGES IN FUND BALANCES	General Fund
Fund Balance Date	
December 31, 2010	\$ 8,295
December 31, 2011	\$ 18,954

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential for a full understanding of the data provided in the government-wide and financial statements. The notes to the financial statements can be found immediately following the section entitled “Basic Financial Statements.”

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found beginning with a section entitled “Required Supplementary Information – Part I.”

A. Budgetary Comparison Schedule – The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule (Schedule 1 in the Required Supplementary Information Part II section) has been provided for these funds to demonstrate compliance with the adopted budget and state laws.

B. Analysis of Significant Budget Variances in the General Fund

Budget Variances - General Fund	2010	2011
Revenues	\$(2,046) unfavorable	\$ 5,920 favorable
Expenditures	\$12,897 unfavorable	\$ 2,817 favorable

Other Supplementary Schedules

Other Supplementary Schedules are included in this report.

**CONCORD FIRE DISTRICT**  
**Oak Grove, Louisiana**  
**Management Discussion and Analysis**  
**December 31, 2011**

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**Capital Assets and Debt Administration**

1. Capital Assets

For the prior year ended December 31, 2010, the District's investment in capital assets in its governmental activities is \$715,211.

For the current year ended December 31, 2011, the District's investment in capital assets, net of accumulated depreciation in its governmental activities is 551,331. This is a result of no prior depreciation charges for compilations.

The investment in governmental activities assets includes land, buildings, and fire fighting equipment. Additions to governmental activities capital assets within the year in the amount of \$309,144 included a new fire truck and purchase of land.

2. Long-Term Debt

At the end of the prior fiscal year ended December 31, 2010, the District had indebtedness of \$45,062, which was paid in full in November, 2011. At the end of the current fiscal year ended December 31, 2011, the District had indebtedness of \$78,080, which included current liabilities of \$1,308, and long-term debt of 76,772.

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Billy Hall, Fire Chief, Concord Fire District, 15971 Highway 585, Oak Grove, LA 71263.

# **BASIC FINANCIAL STATEMENTS**

**CONCORD FIRE DISTRICT**  
**Oak Grove, LA**

**EXHIBIT A**

**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2011**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets	
Cash	\$ 20,261
Total Current Assets	<u>20,261</u>
Noncurrent assets:	
Land (Not depreciable)	13,000
Depreciable buildings, property and equipment, net	<u>498,331</u>
Total noncurrent assets	<u>511,331</u>
Total assets	<u>531,592</u>
<b>LIABILITIES</b>	
Accrued Interest	
	277
Current Portion of long-term note payable	<u>1,031</u>
Total current Liabilities	<u>1,308</u>
Noncurrent liabilities	
Non-current Portion of Long-term Obligations	<u>76,772</u>
Total Liabilities	<u>78,080</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	433,251
Unrestricted	<u>20,261</u>
Total Net Assets	<u>\$ 453,512</u>

The accompanying notes are an integral part of these statements.

CONCORD FIRE DISTRICT  
Oak Grove, LA

EXHIBIT B

Statement of Activities  
For the Year ended December 31, 2011

	Expenses	Program Revenues		Net Program Expenses
			Capital Grants and Contributions	
<b>Expenses</b>				
Public Safety-Fire Protection	\$ (164,161)	\$ -	\$ 241,324	\$ 77,163
Total Program Expenses	\$ (164,161)	\$ -	\$ 241,324	\$ 77,163
		General Revenues:		
				\$ 59,953
				6,967
				77,803
		Total General Revenues and special items		144,723
		Change in Net Assets		221,886
		Net Assets, Beginning of Year		669,576
		Prior Period Adjustment, to charge prior years depreciation due to GASB 34		(437,950)
		Net Assets, as restated-beginning of year		231,626
		Net Assets-end of Year		\$ 453,512

The accompanying notes are an integral part of these financial statements.



**FUND FINANCIAL STATEMENTS**

**CONCORD FIRE DISTRICT**  
**Oak Grove, LA**

**EXHIBIT C**

**Balance Sheet**  
**Governmental Funds**  
**December 31, 2011**

	<u>General Fund</u>
Assets	
Current Assets:	
Cash	\$ 20,261
Total Current Assets	<u>20,261</u>
Total Assets	<u>\$ 20,261</u>
Liabilities	<u>\$ 1,308</u>
Total Liabilities	<u>1,308</u>
Fund Balance:	
Total Fund Balance	<u>18,954</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 20,261</u></u>

The accompanying notes are an integral part of this statement.

**CONCORD FIRE DISTRICT**  
**Oak Grove, Louisiana**

**EXHIBIT C-1**

**Reconciliation of the Balance Sheet**  
**to the Statement of Net Assets**  
**Governmental Funds**  
**For the Year ended December 31, 2011**

Fund Balances - Total Governmental Funds \$ 18,954

Amounts reported for governmental activities in the statement of net assets 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 outlays exceeded depreciation in the current period. 511,331

Note

Note proceeds increase long-term liabilities in the statement of net assets. Repayment of notes principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments. (76,773)

Total Net Assets \$ 453,512

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS REPORT

CONCORD FIRE DISTRICT  
Oak Grove, LA

Exhibit D

GOVERNMENTAL FUND TYPE - GENERAL FUND  
Statement of Revenues, Expenditures,  
And Changes in Fund Balance

For the Year ended December 31, 2011

	General Fund
<b>REVENUES</b>	
West Carroll Parish Police Jury	\$ 59,953
2% Insurance Rebate	6,967
Total Revenues	<u>66,920</u>
<b>EXPENDITURES</b>	
Operating Services	29,265
Material and Supplies	1,908
Utilities	5,104
Equipment Maintenance	5,676
Interest	277
Supplies	14,031
Total Expenditures	<u>56,261</u>
<b>Excess of Revenues over expenditures</b>	<u>10,659</u>
<b>Fund Balance at Beginning of Year</b>	8,295
<b>Fund Balance at End of Year</b>	<u>\$ 18,954</u>

The accompanying notes are an integral part of these financial statements.

**Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
For the Year ended December 31, 2011**

Net Change in Fund Balances - Total Governmental Funds \$ 10,659

Amounts reported for governmental activities in the statement of activities 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 outlays exceeded depreciation in the current period

Total capital outlays	309,144	289,307
Current depreciation	(19,837)	
See Note 3 - Capital Assets	<u>289,307</u>	

Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds.

(78,080)

Change in net assets of governmental activities. \$ 221,886

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT

**NOTES  
TO THE  
FINANCIAL STATEMENTS**

# CONCORD FIRE DISTRICT

Oak Grove, Louisiana

## Notes to the Financial Statements For the Year Ended December 31, 2011

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This legal entity was established to provide fire protection for the political subdivision of District E in the parish of West Carroll, Louisiana. The District serves the community of Concord and the surrounding areas. This entity operates independent of any other parish governing body, but functions under the guidelines set forth by the West Carroll Parish Police Jury. As such, it is a component unit of the West Carroll Parish Police Jury, serving under the direction of a board of directors. All members of the board serve with no compensation.

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. FINANCIAL REPORTING ENTITY**

As the governing authority of the parish for reporting purposes, the West Carroll Police Jury is the financial entity for West Carroll Parish. The financial entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the West Carroll Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criterion includes:

- a. Appointing a voting majority of an organization's governing body, and
  1. The ability of the police jury to impose its will on that organization and/or
  2. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- b. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
- c. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

Because the Concord Fire District is fiscally dependent on the police jury, the district was determined to be a component unit of the West Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the

# CONCORD FIRE DISTRICT

Oak Grove, Louisiana

## Notes to the Financial Statements For the Year Ended December 31, 2011

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funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

### **B. BASIS OF PRESENTATION**

The accompanying basic financial statements of the district have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB 34, *Basic Financial Statements-and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

#### Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and statement of activities display information about the Concord Fire District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the economic resources, measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchanges occur (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Revenues that are not classified as program revenues are presented as general revenues.

#### Fund Financial Statements (FFS)

The district uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions and activities.

A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on major funds, each displayed in a separate column. The only fund for the district is the governmental fund, which is also a major fund. The fund is considered major if it is the primary operating fund of the



# CONCORD FIRE DISTRICT

Oak Grove, Louisiana

## Notes to the Financial Statements For the Year Ended December 31, 2011

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District or its total assets, liabilities, revenues or expenditures of the individual governmental fund is at least 10% of the corresponding total for all governmental funds. The major fund of the District is described below:

### Governmental Fund Type

General Fund – The general operating fund of the district and accounts for all financial activities.

### C. BASIS OF ACCOUNTING

The amounts reflected in the governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and used (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District operations. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The amounts reflected in the governmental funds use the modified accrual basis of accounting, revenues recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible in the current period or soon enough thereafter to pay liabilities of the current period. The district considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for the interest and principle payments on long-term debt which is recognized when due, and certain compensated absences and claims of judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

#### Revenues:

All revenues are recorded when the district is entitled to the funds.

#### Expenditures:

Expenditures are generally recognized under the modified accrual basis of accounting, when the liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have

# CONCORD FIRE DISTRICT

Oak Grove, Louisiana

## Notes to the Financial Statements For the Year Ended December 31, 2011

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accumulated in the debt service fund for payments to be made early in the following year. Capital expenditures are regarded as expenditures at the time purchased.

### **D. BUDGET PRACTICES**

The proposed budget, prepared on the GAAP basis of accounting, was prepared and adopted by the board of commissioners in December, 2010. 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 re-appropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts in the accompanying financial statements included the original adopted budget. There were subsequent amendments to the budget. A review of the budgeted and actual disbursements showed them to be within the 5% limit.

### **E. CASH**

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks under Louisiana law and national banks having principal offices in Louisiana.

The 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 securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal amount on deposit with the fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

### **F. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of applicable appropriation is not employed by the district as an extension of formal budgetary integration in the funds.

### **G. RISK MANAGEMENT**

The fire district is exposed to various risks of loss related to torts: theft of, damage to, and

# CONCORD FIRE DISTRICT

Oak Grove, Louisiana

## Notes to the Financial Statements For the Year Ended December 31, 2011

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destruction of assets; and injuries to employees. To handle such risk of loss, the district carries insurance coverage with the Bernard Insurance Agency in Shreveport, LA. The policy covers general liability, property damage, employee liability, and public officials' liability. No claims were paid on any of the policies during the past three years that exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended 12/31/2011.

### H. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair value at the date of donation. The district maintains a threshold level of \$600 or more for capitalizing capital assets. Due to the fact, the District has been reporting compiled financial statements, since the reporting financial statements required audited statements, this is the first time they have implemented GASB 34, hence no prior depreciation has been charged. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the governmental fund and the related assets are reported as capital assets in the general fund. All purchased capital assets are valued at historical cost. Approximately 50 per cent of capital assets are valued at actual cost while the remaining 50 percent is valued at estimated cost, based on the actual historical cost of like items.

Capital assets are recorded in the statement of net assets and statement of activities. No salvage value is used for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

	<u>Estimated</u>
	<u>Useful Lives</u>
Buildings	30 Years
Equipment	5-20 Years
Vehicles	10-20 Years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

### I. EQUITY CLASSIFICATION

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are

## CONCORD FIRE DISTRICT

Oak Grove, Louisiana

### Notes to the Financial Statements For the Year Ended December 31, 2011

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attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted", or "invested in capital assets, net of related debt."

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

#### **J. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement, and the reported amounts of revenue, and expenditures during the reporting period. Actual results could differ from those estimates.

#### **K. LONG TERM DEBT**

All long-term debts to be repaid from governmental resources are reported as liabilities in the government-wide statements. Long-term debts for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment and interest reported as expenditures. (See Note 5)

#### **L. SALES TAXES**

In 1997, the West Carroll Parish Police Jury passed a ½ % sales tax for fire protection in the parish. This tax is divided among the fire districts for the purpose of fire protection. This was a 10-year tax.

The tax was again placed before the people in a 2006 voting referendum and was approved for re-enactment in 2007. The proceeds from this tax are collected by the police jury and passed along to the individual fire districts on a monthly basis.

**CONCORD FIRE DISTRICT**

Oak Grove, Louisiana

Notes to the Financial Statements  
For the Year Ended December 31, 2011

**NOTE 2. CASH AND CASH EQUIVALENTS**

The Concord Fire District maintains its checking accounts in the West Carroll Community Bank in Oak Grove, Louisiana. The district had a balance in its accounts on December 31, 2011 of \$20,261. The checking and investment accounts in aggregate are insured by the FDIC in the amount of \$250,000.

**NOTE 3. CAPITAL ASSETS**

A summary of changes in capital assets follows:

<b>GENERAL FIXED ASSETS</b>	Balance December 31, 2010	Additions	Deletions	Balance December 31, 2011
Land & Buildings	\$ 195,000	8,000	-	\$ 203,000
Equipment	464,104	301,144	-	765,248
Furniture & Fixtures	2,177		(2,177)	-
Total	661,281	309,144	(2,177)	968,248
Accumulated Deprec Prior Period Adjust				(456,917)
CURRENT TOTAL				511,331

Land of \$13,000 is not depreciated.

**NOTE 4. LONG-TERM INDEBTEDNESS**

In November, 2011, Concord Fire District secured a note payable from Commercial Trust Bank of Louisiana for \$77,803 with an interest rate of 3.9%. Below is a schedule of future payments.

<b>NOTE PAYMENT SCHEDULE</b>	Payment	Principle	Interest	Balance
Begin Balance	-	-	-	77,804
12/31/12	14,489	11,661	2,827	66,142
12/31/13	14,489	12,125	2,364	54,017
12/31/14	14,489	12,606	1,883	41,411
12/31/15	14,489	13,106	1,382	28,305
12/31/16	14,489	13,627	862	14,677
12/31/17	14,997	14,675	322	-

**CONCORD FIRE DISTRICT**

Oak Grove, Louisiana

Notes to the Financial Statements  
For the Year Ended December 31, 2011

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**NOTE 5. RELATED PARTY TRANSACTIONS**

There are no related party transactions to disclose as required by FASB 57.

**NOTE 6. LITIGATION AND CLAIMS**

The Concord Fire District is not a defendant in any litigation seeking damages.

**NOTE 7. SUBSEQUENT EVENTS**

Subsequent events were evaluated by management up to and including the issue date of this report, June 26, 2012. There were no subsequent events noted which would affect the financial statements for the year ended December 31, 2011.

**NOTE 8. PRIOR PERIOD ADJUSTMENT**

The prior period adjustment shown in the Statement of Activities in the amount of \$437,950 was the result of a step-up from a Compilation filed in 2009 and 2010 to an audit report for 2011 (see Note 9). No depreciation to fixed assets was required when submitting a compilation, nor had it been prepared in those prior report years, and as such, the prior period adjustment in this audit updates the depreciation on general fixed assets as shown in Note 3. The net effect for 2011 will be a decrease in fixed assets with a decrease in fund balance.

**NOTE 9. STEPUP FROM COMPILATION TO AUDIT**

Concord Fire District has historically reported its governmental activities in the form of a compilation as required by Louisiana statutes. For the year ended December 31, 2011, the District received a FEMA grant which was designated for the purchase of a fire truck valued at \$301,144 and the District also incurred a \$77,803 note payable for the satisfaction of a previously established note payable. The total revenues for the District are well in excess of the level for which a compilation would be required. An audit is being submitted in compliance with Louisiana statutes.

Required Supplementary Information  
(Part II)

**CONCORD FIRE DISTRICT**  
Oak Grove, LA

**Schedule 1**

**GOVERNMENTAL FUND TYPE - GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
West Carroll Parish Police Jury	\$ -	\$ 59,953	\$ 59,953
2% Insurance Rebate	-	6,967	6,967
Special items-certificate of indebtedness	-		
Total Revenues	61,000	66,920	5,920
<b>EXPENDITURES</b>			
Current - Public Safety			
Operating Services	35,000	29,265	5,735
Material and Supplies	1,608	1,908	(300)
Utilities	5,000	5,104	(104)
Equipment Maintenance	9,485	5,676	3,809
Interest	-	277	(277)
Supplies	7,985	14,031	(6,046)
Total Expenditures	59,078	56,261	2,817
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	1,922	10,659	8,737
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	8,295	8,295	-
<b>FUND BALANCE AT END OF YEAR</b>	\$ 10,217	\$ 18,954	\$ 8,737



**OTHER SUPPLEMENTAL  
INFORMATION**

CONCORD FIRE DISTRICT  
Oak Grove, Louisiana

SUPPLEMENTARY INFORMATION SCHEDULE  
For the year ended December 31, 2011

COMPENSATION PAID COMMISSIONERS

The names and addresses of the commissioners who serve on the board of the Concord Fire District are listed below. They all serve without any financial compensation. They are as follows:

Richard Costello – President  
250 Costello Road  
Oak Grove, LA 71263  
318/376-1629

John R. James – Vice President  
2705 Hwy 586  
Oak Grove, LA 71263  
318/428-4125

Gary Vernon – Board Member  
15050 Hwy 585  
Oak Grove, LA 71263  
318/614-8236

Willie Capers – Board Member  
15744 Highway 585  
Oak Grove, LA 71263  
318/428-3830

Phil White – Board Member  
15617 Highway 585  
Oak Grove, LA 71263  
1/318/428-4745

**JIMMIE SELF, CPA**  
*A PROFESSIONAL ACCOUNTING CORPORATION*  
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Concord Fire District  
Oak Grove, Louisiana

I have audited the basic financial statements of the Concord Fire District, a component unit of the West Carroll Police Jury, State of Louisiana, as of and for the year ended December 31, 2011, and have issued my report thereon dated June 26, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses, that I consider to be significant deficiencies in internal control over financial

reporting. The results of my tests disclosed instances of noncompliance or other such matters that are required to be reported, which is described in the accompanying schedule of findings and responses as item #2011-01. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However providing an opinion on compliance with those provisions was not an objective of my audit, and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and responses as items #2011-01.

Concord Fire District, Oak Grove, Louisiana's response to the findings identified in my audit is described in the accompanying schedule of finding and responses. I did not audit Concord Fire District's responses, and accordingly, I express no opinion on it.

This report is intended solely for the information and use of the management of the District and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Jimmie Self, CPA  
Monroe, Louisiana  
June 26, 2011

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**SCHEDULE OF FINDINGS AND RESPONSES**  
**CONCORD FIRE DISTRICT**  
**Oak Grove, Louisiana**

Findings for the Year Ended December 31, 2011

**FINDING 2011-1**

CRITERIA: Duties should be distributed among several employees

CONDITION: Inadequate segregation of duties

CONTEXT: The District has a volunteer staff and only one person handling the duties of the office personnel.

EFFECT OF CONDITION: Internal control is weakened by the limited staff. Risk is mitigated and internal control is strengthened by the continuing oversight of the board.

CAUSE OF CONDITION: The staff consists of only a clerk.

RECOMMENDATION: Hire employees and redistribute duties.

CLIENT RESPONSE: Management states this cannot be remedied due to lack of funds and that duties as they exist at the present time are part-time.

Findings for the Prior Year Ended December 31, 2010

There were no findings for the prior period.

**Jimmie Self, CPA**  
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**SUMMARY SCHEDULE OF FINDINGS**  
**CONCORD FIRE DISTRICT**  
Oak Grove, Louisiana  
For the Year Ended December 31, 2011

I have audited the financial statements of Concord Fire District as of and for the year ended December 31, 2011 and have issued my report dated June 26, 2012. I conducted my audit in accordance with generally accepted auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2011 resulted in an unqualified opinion (qualified, adverse, disclaimer).

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses \_\_\_ yes X no Internal Control Deficiencies X yes \_\_\_ no

Compliance

Compliance material to Financial Statements \_\_\_ yes X no

b. Federal Awards: None

c. Identification of major Programs:

None.