

**GOODWILL FIRE DISTRICT**

**Oak Grove, Louisiana**

**Compiled Financial Statements  
Year Ended December 31, 2011**

**PREPARED BY:**

**JIMMIE SELF, CPA**

*A Professional Accounting Corporation*

**2908 CAMERON STREET, SUITE C**

**MONROE, LOUISIANA 71201**

**Phone 318/323-4656 • FAX 388-0724**

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Oak Grove, LA**

Compiled Financial Statements  
Year Ended December 31, 2011

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JIMMIE SELF, CPA  
*A Professional Accounting Corporation*  
2908 Cameron Street, Suite C  
Monroe, Louisiana 71201  
Phone (318) 323-4656 • Fax (318) 388-0724

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**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

Board of Directors  
Goodwill Fire District  
Oak Grove, Louisiana

Dear Board Members,

I have compiled the accompanying financial statements of the governmental activities of the Goodwill Fire District, a component unit of the West Carroll Parish Police Jury, State of Louisiana, as of and for the year ended December 31, 2011, which collectively comprise the Fire 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.

The management of the Goodwill Fire 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 Goodwill Fire 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.

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.

The Schedule of Compensation Paid Commissioners and the Schedule of Findings and Responses on pages 13 and 14 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have compiled the Schedule of Compensation Paid Commissioners and the Findings and Responses from information that is the representation of management of Goodwill Fire District, without audit or review. Accordingly, I do not express an opinion or provide any assurance on the supplementary information.

The Goodwill Fire District did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2011. The effects of this departure from generally accepted accounting principles has not been determined.



JIMMIE SELF, CPA  
MONROE, LOUISIANA  
June 22, 2012

**GENERAL PURPOSE  
FINANCIAL STATEMENTS**

GOODWILL FIRE DISTRICT  
Oak Grove, LA

STATEMENT A

ALL FUND TYPES AND ACCOUNT GROUPS  
COMBINED BALANCE SHEET

DECEMBER 31, 2011

	Governmental Fund Type	Account Groups	Total Memo Only
	General Fund	General Fixed Assets	
<b><u>ASSETS AND OTHER DEBITS</u></b>			
Cash in Bank, Checking	\$ 62,557	\$ -	\$ 62,557
Fixed Assets	-	473,224	473,224
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 62,557</b>	<b>\$ 473,224</b>	<b>\$ 535,781</b>
<b><u>LIABILITIES AND FUND EQUITY:</u></b>			
<b>LIABILITIES</b>			
<b>TOTAL LIABILITIES</b>	-	-	-
<b>FUND EQUITY</b>			
Investments in General Fixed Assets	-	473,224	473,224
<b>FUND BALANCE</b>			
Undesignated	62,557	-	62,557
<b>TOTAL FUND BALANCE</b>	<b>62,557</b>	<b>-</b>	<b>62,557</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 62,557</b>	<b>\$ 473,224</b>	<b>\$ 535,781</b>

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**GOODWILL FIRE DISTRICT  
OAK GROVE, LA**

**STATEMENT B**

**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**

	ORIGINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
West Carroll Parish Police Jury Sales Tax	\$ 59,000	\$ 60,153	\$ (1,153)
2% Insurance Rebate	5,000	6,074	(1,074)
Total Revenues	<u>64,000</u>	<u>66,227</u>	<u>(2,227)</u>
<b>EXPENDITURES</b>			
Current - Public Safety:			
Operating services	18,300	17,190	1,110
Material and Supplies	2,400	994	1,406
Utilities	4,000	2,452	1,548
Maintenance and Repairs	16,000	27,898	(11,898)
Capital Outlay	20,000	9,352	10,648
Total Expenditures	<u>60,700</u>	<u>57,886</u>	<u>2,814</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	3,300	8,341	5,041
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	54,216	54,216	-
<b>FUND BALANCE AT END OF YEAF</b>	<u>\$ 57,516</u>	<u>\$ 62,557</u>	<u>\$ 5,041</u>

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT.

**NOTES  
TO THE  
FINANCIAL STATEMENTS**



# **GOODWILL 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 Ward 3, an area in and around the community of Goodwill, in the parish of West Carroll, Louisiana. This entity operates independent of any other parish governing body, but functions under the guidelines set forth by the West Carroll Parish Police Jury. The District operates 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. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of the Goodwill Fire District have not been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Goodwill Fire District did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended. The effects of this departure from generally accepted accounting principles has not been determined.

### **B. 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 criteria include:

1. Appointing a voting majority of an organization's governing body, and The ability of the police jury to impose its will on that organization and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

# GOODWILL FIRE DISTRICT

Oak Grove, Louisiana

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

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3. 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 Goodwill 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 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.

## C. FUND ACCOUNTING

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed asset and long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with measurement of financial position, not with the measurements of results of operations.

The only fund for the District is the governmental fund. Governmental funds account for the District's general activities, including collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the District include:

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

## D. BASIS OF ACCOUNTING

The accounting of financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. Operating statements for these funds present increases and decreases in net current assets. The modified accrual basis of

# **GOODWILL FIRE DISTRICT**

Oak Grove, Louisiana

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

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accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are 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 within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District uses the following practices in recognizing and reporting 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.

### **E. BUDGET PRACTICES**

The proposed budget, prepared on the GAAP basis of accounting, was prepared and adopted by the board of commissioners in December prior to the start of the new year. The budget is established and controlled by the board of commissioners at the object level of expenditure. Encumbrance accounting is not utilized in the District’s records. 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.

### **F. CASH AND CASH EQUIVALENTS**

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. If the original maturities are 90 days or less, they are classified as cash equivalents.

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 the amount on deposit with the fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

# **GOODWILL FIRE DISTRICT**

Oak Grove, Louisiana

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

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## **G. RISK MANAGEMENT**

The Fire District carries insurance to cover various risks of loss related to torts: theft of, damage to, and destruction of assets; and injuries to employees. To handle such risks of loss, the police jury maintains insurance coverage on the fire District. The policy covers general liability, property, employee liability, and public officials' liability.

## **H. FIXED ASSETS**

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost. The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their lives are not capitalized.

## **I. COMPENSATED ABSENCES**

The District has no employees therefore there is no policy relating to vacation and sick leave.

## **J. LONG-TERM DEBT**

The District has a no long-term debt.

## **K. FUND EQUITY**

### Reserves

Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use.

### Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

## **L. SALES TAX REVENUES**

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

# GOODWILL FIRE DISTRICT

Oak Grove, Louisiana

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

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 are passed along to the District on a monthly basis.

## M. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not represent the financial position or result of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a compilation.

## N. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principals 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 statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

## NOTE 2. CASH AND CASH EQUIVALENTS

The Goodwill Fire District maintains its checking account in the Regions Bank in Oak Grove, Louisiana. The District had a balance in its account on December 31, 2011 of \$62,557. The account is insured by the FDIC in the amount of \$250,000.

## NOTE 3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

CHANGES IN GENERAL FIXED ASSETS	Balance December 31,2010	Additions	Deletions	Balance December 31,2011
Land and Buildings	10,000	-	-	10,000
Buildings	108,563	-	-	108,563
Trucks and Equipment	345,309	9,352	-	354,661
Total	463,872	9,352	-	473,224

## NOTE 4. RELATED PARTY TRANSACTIONS

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

**GOODWILL FIRE DISTRICT**

Oak Grove, Louisiana

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

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**NOTE 5. LITIGATION AND CLAIMS**

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

**NOTE 6. CHANGES IN LONG-TERM DEBT**

As of December 31, 2011 the district has no long-term debt.

**NOTE 7. SUBSEQUENT EVENTS**

Subsequent events were evaluated by management up to and including the issue date of this report, June 22, 2012. There were no subsequent events noted which would affect the financial statements for the year ended December 31, 2011.

**NOTE 8. POST-EMPLOYMENT BENEFITS**

The district has no employees. Therefore there are no provisions made for post-employment benefits of any kind.

**NOTE 9. RISK MANAGEMENT**

The fire district is exposed to various risk of loss related to torts: theft of, damage to, and destruction of assets, and injuries to volunteers. To handle such risk of loss, the district maintains coverage on the fire district through Emergency Services Insurance Program offered by McNeil and Company through the Bernard Insurance Agency, LLC in Shreveport, LA., with workers comp provided by The Hartford Company/LWCC. The policy covers general liability, property, employee liability, workers compensation, 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 June 30, 2011.

**SUPPLEMENTARY  
INFORMATION SCHEDULES**

**GOODWILL VOLUNTEER FIRE DISTRICT  
Oak Grove, Louisiana**

**COMPENSATION PAID COMMISSIONERS  
For the year ended December 31, 2011**

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

John Paul Posey – Board Chairman  
6681 Hwy 585  
Oak Grove, LA 71263  
318/428-8877

William Stutts – Board Member  
733 Hwy 2  
Oak Grove, LA 71263  
318/428-8811

Veda Bankston – Board Member  
1042 Vick Road  
Oak Grove, LA 71263  
318/428-2821

Melvin Warren – Board Member  
983 Warren Road  
Oak Grove, LA 71263  
318/428-8435

William Moden – Board Member  
4548 Hwy 2  
Oak Grove, LA 71263  
318/428-2680

Judy Owens – Secretary  
6983 Highway 585  
Oak Grove, LA 71263  
318/428-2102



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

Findings for the Current Year Ended December 31, 2011

**FINDING 2011-1**

CRITERIA: Duties should be distributed among employees

CONDITION: Inadequate segregation of duties

CONTEXT: The district has only one person for handling the duties of the office personnel.  
Office duties are a part-time job.

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 one person.

RECOMMENDATION: Hire more employees and redistribute duties.

CLIENT RESPONSE: This would be impractical and cannot be remedied due to lack of funds. The condition is mitigated to a great extent by the continuing close scrutiny of the Board of Directors.

Findings for the Prior Year Ended December 31, 2010

**Finding 2010-1**

CRITERIA: Expenditures and revenues as reported in the actual versus report should not exceed 5% overstatement in expenditures or 5% understatement in revenues as compared to the budgeted amounts.

CONDITION: Actual expenditures for the year exceeded the budgeted expenditures by 40%.

CONTEXT: Budget projections are made in the month prior to the start of the fiscal year and are accepted by the board. Adjustments can be made during the year up to the last month of the fiscal year as the board reviews the actual spending as compared to the budgeted amounts.

EFFECT OF THE CONDITION: Budgets are established to guide management in making purchases and monitoring revenues. Departures from such a program could result in deficit spending.

CAUSE OF THE CONDITION: Excessive spending in the categories of Maintenance and Repairs, Operating Services, and Materials and Supplies was responsible for the over-budgeted condition in expenditures.

RECOMMENDATION: Management should review the actual amounts expended as compared with the budgeted amounts and should amend the budget no later than December of the fiscal year.

CLIENT RESPONSE: Management will restructure procedures to include periodic and year-end review of the budgeted revenues and expenditures for compliance with Louisiana statutes.