

FOREST FIRE DISTRICT

Forest, Louisiana

Compiled Financial Statements
Year Ended December 31, 2013

PREPARED BY:

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FOREST FIRE DISTRICT
Forest, LA

Compiled Financial Statements
Year Ended December 31, 2013

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Forest Fire District
Forest, Louisiana

Dear Board Members,

I have compiled the accompanying statement of financial position of the governmental activities of the Forest Fire District, a component unit of the West Carroll Parish Police Jury, State of Louisiana, as of and for the year ended December 31, 2013, 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.


Management 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 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 the Fire District, without audit or review. Accordingly, I do not express an opinion or provide any assurance on the supplementary information.

The Forest Fire District did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2013. The effects of this departure from generally accepted accounting principles has not been determined.


JIMMIE SELF, CPA
MONROE, LOUISIANA
June 24, 2014

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

FOREST FIRE DISTRICT
Forest, LA
All Fund Types and Account Groups
Combined Balance Sheet
December 31, 2013

STATEMENT A

	Governmental Fund Type General Fund	Account Group General Fixed Assets	Total Memo Only
<u>ASSETS AND OTHER DEBITS</u>			
Cash in Bank	\$ 59,973	\$ -	\$ 59,973
Investments	222,973	-	222,973
Fixed Assets	-	446,981	446,981
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 282,946</u>	<u>\$ 446,981</u>	<u>\$ 729,927</u>
<u>LIABILITIES AND FUND BALANCE:</u>			
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND EQUITY			
Investments in General Fixed Assets	-	446,981	446,981
FUND BALANCE			
Undesignated	282,946	-	282,946
TOTAL FUND BALANCE	<u>282,946</u>	<u>-</u>	<u>282,946</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 282,946</u>	 <u>\$ 446,981</u>	 <u>\$ 729,927</u>

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

FOREST FIRE DISTRICT
Forest, LA

STATEMENT B

GOVERNMENTAL FUND TYPE - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES, BUDGET vs ACTUAL
(GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2013

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
1/2 Cent Sales Tax	\$ 67,000	\$ 68,413	\$ 68,414	\$ 1
Insurance Rebate	5,000	4,942	4,942	-
Other Income	6,000	8,498	8,498	-
Interest Income	-	-	2,083	2,083
Total Revenues	<u>78,000</u>	<u>81,853</u>	<u>83,937</u>	<u>2,084</u>
EXPENDITURES				
Current - Public Safety:				
Operating services	11,000	9,486	4,927	4,559
Material and Supplies	16,000	14,732	8,813	5,919
Utilities	5,000	3,483	2,962	521
Truck Equipment Repairs	4,000	16,953	8,193	8,760
Insurance	13,000	5,013	15,013	(10,000)
Training	250	47	277	(230)
Capital Expenditures	20,000	-	9,910	(9,910)
Total Expenditures	<u>69,250</u>	<u>49,714</u>	<u>50,095</u>	<u>(381)</u>
EXCESS OF REVENUES OVER (EXPENDITURES)	10,500	32,139	33,842	(1,703)
FUND BALANCE AT BEGINNING OF YEAR	228,784	239,284	249,104	(9,820)
FUND BALANCE AT END OF YEAR	<u>\$ 239,284</u>	<u>\$ 271,423</u>	<u>\$ 282,946</u>	<u>\$ (11,523)</u>

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT.

NOTES

FOREST FIRE DISTRICT

Forest, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2013

This legal entity was established to provide fire protection for the political subdivision of Ward 3 in the parish of West Carroll. The Fire Protection District serves the area in and around the Village of Forest, 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 Forest 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 Forest Fire District did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2013. 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
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. 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.
3. Organizations for which the reporting entity's financial

FOREST FIRE DISTRICT

Forest, Louisiana

Notes to the Financial Statements For the Year ended December 31, 2013

statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

Because the Forest 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 resources, 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 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

FOREST FIRE DISTRICT

Forest, Louisiana

Notes to the Financial Statements For the Year ended December 31, 2013

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 received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting, when the liability is incurred.

E. BUDGET PRACTICES

The proposed budgets, prepared on the accrual basis of accounting, were prepared and adopted by the board of commissioners in December preceding the beginning of the fiscal period. 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 the 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.

F. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management’s estimates.

G. 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 pledged 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.

FOREST FIRE DISTRICT

Forest, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2013

H. INVESTMENTS

Investments are limited by the Louisiana Revised Statute R.S. 33:2955 and the political subdivision's investment policy. 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. All investments are bank certificates of deposit and are stated at cost.

I. 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.

J. COMPENSATED ABSENCES

The district has no paid employees, therefore there is no policy relating to vacation and sick leave.

K. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group.

L. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriable 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.

M. SALES TAXES

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 and distributed by the Police Jury. This was a 10-year tax.

FOREST FIRE DISTRICT

Forest, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2013

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.

N. 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.

NOTE 2. CASH AND CASH EQUIVALENTS

The Forest Fire District maintains two checking accounts in the West Carroll Community Bank in Oak Grove, Louisiana. The district had a book balance in its accounts on December 31, 2013 totaling \$59,973. The accounts are insured by the FDIC in the amount of \$250,000. Total checking and CD's held by the bank exceed the maximum amount insured by the FDIC. In addition, the District had a collateral agreement with First National Bankers Bank in the amount of \$24,000 (market value) at 12-31-13, which was a deficiency of \$8,946. This occurred due to an oversight by the Bank. This has been corrected with adequate coverage. If the original maturities are 90 days or less, deposits are classified as cash equivalents.

NOTE 3. INVESTMENTS

The district has certificates of deposit in the West Carroll Community Bank which are stated at cost on the enclosed statements. The CDs had a balance on December 31, 2013 of \$222,973, and a balance of \$59,973, which totaled \$282,946, in checking accounts, insured by the FDIC for \$250,000, and collateralized by First National Bankers Bank in the amount of \$24,000 (market value) at 12-31-13, which was a deficiency of \$8,946. This occurred due to an oversight by the Bank. This has been corrected with adequate coverage. If the original maturities are 90 days or less, deposits are classified as cash equivalents.

FOREST FIRE DISTRICT

Forest, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2013

NOTE 4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

FIXED ASSETS	Balance December 31, 2012	Additions	Deletions	Balance December 31, 2013
Land	2000	-	-	2,000
Building	110,937	-	-	110,937
Equipment	324,134	9,910	-	334,044
TOTAL	437,071	9,910	-	446,981

NOTE 5. LEASES

The district records items under capital leases as assets and obligations in the accompanying financial statements. The Forest Fire District had no capital leases at December 31, 2013.

NOTE 6. RELATED PARTY TRANSACTIONS

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

NOTE 7. LONG-TERM DEBT - None

NOTE 8. LITIGATION AND CLAIMS

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

NOTE 9. SUBSEQUENT EVENTS

Subsequent events were evaluated by management up to and including the issue date of this report, June 24, 2014. There were no subsequent events noted which would affect the financial statements for the year ended December 31, 2013.

NOTE 10. BUDGET VARIANCES

Both the revenue and expenditure budget variances as shown on the Budget vs. Actual column on Statement B were reported as favorable since they were within the 5% limit

FOREST FIRE DISTRICT

Forest, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2013

required by state law.

NOTE 11. RISK MANAGEMENT

The District is exposed to various risk of loss related to torts: theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the district maintains coverage on any automobiles utilized by the fire district with VFIS Insurance Agency through the West Carroll Firemen's Association. The district also maintains a policy through Special Risk Insurance, Inc., Baton Rouge, LA., which 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 December 31, 2013.

**SUPPLEMENTARY
INFORMATION SCHEDULES**

FOREST FIRE DISTRICT
Forest, Louisiana

SUPPLEMENTARY INFORMATION SCHEDULE
For the year ended December 31, 2013

SCHEDULE of COMPENSATION PAID COMMISSIONERS

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

Vendal Fairchild – President
4325 Hwy 582
Oak Grove, LA 71263
318/428-7371

Kevin Kirby
699 Chambless Rd
Oak Grove, LA 71263
318/428-7336

Dustin Waits - Fire Chief
3229 Highway 582
Oak Grove, LA 71263
318/428-5932

Howard Ainsworth – Secretary
P.O. Box 98
Oak Grove, LA 71263
318/428-2451

Billy Calhoun
2266 Skinner Lane
Oak Grove, La 71263
318/428-3325

R. L. Frazier
4388 Hwy 582
Oak Grove, LA 71263
318/428-4883

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SCHEDULE OF FINDINGS AND RESPONSES
FOREST FIRE DISTRICT
Forest, Louisiana

Findings for the Current Year Ended December 31, 2013

FINDING 2013-1

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.

Findings for the Prior Year Ended December 31, 2012

FINDING 2012-1

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.