

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
As of and for the Year Ended
December 31, 2018
With Supplemental Information Schedules

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Practice Limited to
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Auditing and
Financial Reporting

Accountant's Compilation Report

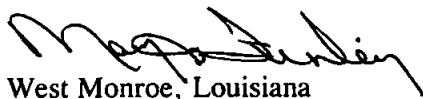
**BOARD OF COMMISSIONERS
OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana**

Management is responsible for the accompanying financial statements of the governmental activities of the Oak Grove Fire District, a component unit of the West Carroll Parish Police Jury, as of and for the year ended December 31, 2018, which collectively comprise the Oak Grove Fire District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Fund's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Management has omitted the management's discussion and analysis and GASB 34, capital assets and depreciation guidance, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

The schedule of compensation, benefits, and other payments to agency head on page 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and, accordingly do not express an opinion or provide any assurance on such supplementary information.



West Monroe, Louisiana
April 5, 2019

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 2018

	<u>GENERAL FUND</u>	<u>GENERAL FIXED ASSETS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
ASSETS			
Cash	\$61,551		\$61,551
Receivables - sales tax	7,798		7,798
Land, buildings, and equipment		<u>\$798,423</u>	<u>798,423</u>
TOTAL ASSETS AND OTHER DEBITS	<u>\$69,349</u>	<u>\$798,423</u>	<u>\$867,772</u>
LIABILITIES AND FUND EQUITY			
Liabilities - accounts payable	<u>\$938</u>		<u>\$938</u>
Total Liabilities	<u>938</u>	NONE	<u>938</u>
Fund Equity:			
Investment in general fixed assets		\$798,423	798,423
Fund balance: unassigned	<u>68,411</u>		<u>68,411</u>
Total Fund Equity	<u>68,411</u>	<u>798,423</u>	<u>866,834</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$69,349</u>	<u>\$798,423</u>	<u>\$867,772</u>

See accompanying notes and accountant's report.

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana
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, 2018

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Sales taxes	\$96,700	\$95,494	(\$1,206)
Federal grant	6,200	6,360	160
Fire Insurance Rebate	11,800	11,861	61
Local grant		1,198	1,198
Total revenues	<u>114,700</u>	<u>114,913</u>	<u>213</u>
EXPENDITURES			
Public safety - current:			
Operating services	75,410	75,284	(126)
Materials and supplies	<u>15,900</u>	<u>14,526</u>	<u>(1,374)</u>
Total expenditures	<u>91,310</u>	<u>89,810</u>	<u>1,500</u>
EXCESS OF REVENUES OVER EXPENDITURES	23,390	25,103	(1,713)
FUND BALANCE AT BEGINNING OF YEAR	<u>NONE</u>	<u>43,308</u>	<u>(43,308)</u>
FUND BALANCE AT END OF YEAR	<u>\$23,390</u>	<u>\$68,411</u>	<u>(\$45,021)</u>

See accompanying notes and accountant's report.

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Oak Grove Fire District was created by the West Carroll Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492 on July 11, 1988. The district is governed by a five member board appointed by the police jury. Board members serve without compensation. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the West Carroll Parish Police Jury is the financial reporting entity for West Carroll Parish. The financial reporting 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 the 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 (GASB) Statement 4 established criteria for determining which component units should be considered part of the West Carroll Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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.

OAK GROVE FIRE DISTRICT

Oak Grove, Louisiana

Notes to the Financial Statements (Continued)

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

Because the police jury created the district, appoints the commissioners of the district, and has the ability to impose its will on the district, 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 the other governmental units that comprise the West Carroll Parish financial reporting entity.

B. 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 related 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 assets and general 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 the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district's current operations require the use of only a governmental fund type. The governmental fund type of the district is described as follows:

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana
Notes to the Financial Statements (Continued)

General Fund

The General Fund is the general operating fund of the district and is used to account for all financial activities not required to be accounted for in other funds. Primary funding is provided by a sales tax approved by voters of the district, state fire insurance rebates, and interest earnings on investments.

**C. FIXED ASSETS AND
LONG-TERM DEBT**

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. Fixed assets are valued at actual historical costs. No depreciation has been provided on general fixed assets. Approximately 88 per cent of general fixed assets are valued at actual cost while the remaining 12 per cent are valued at estimated cost, based on the actual historical cost of like items. The account group is not a "fund", it is concerned only with the measurement of financial position and does not involve measurement of results of operations.

The Oak Grove Fire District has no long-term debt at the end of the year.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) 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 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:

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana
Notes to the Financial Statements (Continued)

Revenues

Sales taxes are recognized in the month received by the district's collection agent, the West Carroll Parish School Board.

Other intergovernmental revenues are recorded when the district is entitled to the funds.

Interest income on demand deposits is recorded when the interest has been earned and the amount is determinable.

Based on the above criteria, sales taxes and other intergovernmental revenues have been treated as susceptible to accrual.

Expenditures

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

E. BUDGET PRACTICES

A preliminary budget for the ensuing year is prepared by the board of commissioners in November and made available to the public. The budget is then adopted during the regular December meeting. The proposed budget for the General Fund is prepared on the modified accrual basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditure. Encumbrance accounting is not used by the board. Appropriations lapse at year-end and must be approved by the board of commissioners.

Formal budgetary integration is employed as a management control device during the year. Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all subsequent amendments.

F. 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 other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana
Notes to the Financial Statements (Continued)

organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2018, the district has cash and cash equivalents (book balances) totaling \$61,551.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances of \$61,896, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. All deposits are fully secured by federal deposit insurance at December 31, 2018.

G. SALES TAX

On April 1, 2006, voters of the parish approved the renewal of a one-half of one per cent sales tax to be dedicated and used to provide fire protection in the eight fire protection districts in the parish through the acquisition, construction, improvement, operation and maintenance of equipment, property and facilities to be used in providing such fire protection, including payment of the costs of training and obtaining water for fire protection purposes and the payment of debt service on debt obligations issued for such purposes. The tax was renewed for a period of ten years and will expire on January 1, 2027. By an agreement between the police jury and the West Carroll Parish School Board, the school board served as the collection agent for the sales tax.

H. 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 employees. To handle such risk of loss, the fire

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana
Notes to the Financial Statements (Continued)

district maintains a commercial insurance policy covering property, employee liability, and public officials liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2018.

I. EQUITY CLASSIFICATIONS

In the fund financial statements, governmental fund equity is classified as fund balance. The Oak Grove Fire District adopted GASB Statement 54 for the year ended December 31, 2018. As such, fund balances of the governmental funds are classified as follows:

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the Indigent Defender Fund's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Indigent Defender Fund's highest level of decision-making authority.

Assigned - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The General Fund has an unassigned fund balance of \$68,411. If applicable, the district would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

OAK GROVE FIRE DISTRICT
 Oak Grove, Louisiana
 Notes to the Financial Statements (Continued)

**J. TOTAL COLUMN ON THE
 BALANCE SHEET**

The total column on the combined balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. CHANGES IN GENERAL FIXED ASSETS

The following presents changes in general fixed assets for the year ended December 31, 2018:

	<u>Balance</u> <u>January 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31,</u>
Land, buildings, and improvements	\$135,099			\$135,099
Vehicles and equipment	663,324			663,324
Total	<u>\$798,423</u>	<u>NONE</u>	<u>NONE</u>	<u>\$798,423</u>

3. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 2018, nor is it aware of any unasserted claims.

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2018

MYRL SISTRUNK, FIRE CHIEF

	PURPOSE	AMOUNT
	Volunteer firefighter reimbursement	<u>\$1,190</u>