

WARD 2 FIRE DISTRICT

Pioneer, Louisiana

Compiled Financial Statements
Year Ended December 31, 2015

PREPARED BY:

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**WARD 2 FIRE DISTRICT
PIONEER, LOUISIANA**

Compiled Financial Statements
Year Ended December 31, 2015

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Independent Accountant's Compilation Report

Board of Directors
Ward 2 Fire District
Pioneer, Louisiana

Management is responsible for the accompanying financial statements of Ward 2 Fire District, a component unit of the West Carroll Parish Police Department, which comprise the balance sheet as of December 31, 2015, and the related statements of revenues, expenditures, and changes in fund balance budget (GAAP Basis) and actual and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following supplementary information be provided to supplement the basic financial statements:

Management's Discussion and Analysis
Budgetary Comparison Schedule

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. The Management Discussion and Analysis, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Supplementary Information

The accompanying schedule of compensation paid commissioners, schedule of benefits, and other payments to the agency head, political subdivision head, or chief executive officer, and schedule of findings and responses is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to my compilation engagement, but I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

The Concord Fire District did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2015. The effects of this departure from generally accepted accounting principles has not been determined.

Jimmie Self, CPA
Monroe, Louisiana

June 14, 2016

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

WARD 2 FIRE DISTRICT
Pioneer, LA

STATEMENT A

COMBINED BALANCE SHEET-
ALL FUND TYPES AND ACCOUNT GROUPS

For the year ended December 31, 2015

	Governmental Fund Type		Total Memo Only
	General Fund	General Fixed Assets	
<u>ASSETS AND OTHER DEBITS:</u>			
Cash in Bank Checking	\$ 13,659	\$ -	\$ 13,659
Sinking Fund-Restricted	16,525	-	16,525
Investments	144,576	-	144,576
Fixed Assets	-	997,114	997,114
TOTAL ASSETS AND OTHER DEBITS	\$ 174,760	\$ 997,114	\$ 1,171,874
<u>LIABILITIES AND FUND EQUITY:</u>			
Liabilities	\$ -	-	\$ -
TOTAL LIABILITIES	-	-	-
FUND EQUITY			
Investments in General Fixed Assets	-	997,114	997,114
Designated, Sinking Fund	16,525	-	16,525
Undesignated	158,235	-	158,235
TOTAL FUND BALANCE	174,760	997,114	1,171,874
TOTAL LIABILITIES AND FUND EQUITY	\$ 174,760	\$ 997,114	\$ 1,171,874

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

WARD 2 FIRE DISTRICT
Pioneer, 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, 2015

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
West Carroll Parish Police Jury 1/2% Sales Tax	\$ 100,200	\$ 100,195	\$ (5)
2% Insurance Rebate	5,905	5,905	-
Donations	350	350	-
Interest Income	935	933	(2)
Total revenues	<u>107,390</u>	<u>107,383</u>	<u>(7.00)</u>
EXPENDITURES			
Operating Services	2,845	2,847	(2)
Material and Supplies	225	247	(22)
Maintenance of Equipment	560	484	76
Miscellaneous	247	41	206
Interest Expense	575	575	-
Repairs	2,600	2,829	(229)
Insurance	14,070	14,073	(3)
Uniforms	1,413	1,413	-
Training	3,140	3,140	-
Utilities	4,100	4,115	(15)
Vehicle Expense	2,510	2,514	(4)
Capital Outlay	71,697	71,688	9
Bond Payment	23,000	23,000	-
Total Expenditures	<u>126,982</u>	<u>126,966</u>	<u>57</u>
EXCESS OF EXPENDITURES OVER REVENUES	(19,592)	(19,583)	50
FUND BALANCE AT BEGINNING OF YEAR	187,673	194,343	18,439
FUND BALANCE AT END OF YEAR	<u>\$ 168,081</u>	<u>\$ 174,760</u>	<u>\$ 18,389</u>

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT.

WARD15
StmtRevExpChngFndBalBudgAct

Notes

WARD 2 FIRE DISTRICT
Pioneer, Louisiana

Notes to the Financial statements
For the Year Ended December 31, 2015

This legal entity was established to provide fire protection for the political subdivision of Ward 2 in the Parish of West Carroll, Louisiana. The District serves the Village of Pioneer 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. 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 Ward 2 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 Ward 2 Fire District did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the current year. 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:

- 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.

WARD 2 FIRE DISTRICT
Pioneer, Louisiana

Notes to the Financial statements
For the Year Ended December 31, 2015

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 Ward 2 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:

1. 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

WARD 2 FIRE DISTRICT
Pioneer, Louisiana

Notes to the Financial statements
For the Year Ended December 31, 2015

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 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 during the month of December of the prior 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. Budgeted amounts included in the accompanying financial statements included the adopted budget. There were subsequent amendments to the budget.

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 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.

WARD 2 FIRE DISTRICT
Pioneer, Louisiana

Notes to the Financial statements
For the Year Ended December 31, 2015

G. INVESTMENTS

Investments are limited by the Louisiana Revised Statute R. S. 33:2955 and the political subdivision's investment policy. If 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.

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 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 current year.

I. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and reported in the general fixed 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 the fixed assets or materially extend their lives are not capitalized.

J. COMPENSATED ABSENCES

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

K. FUND EQUITY

Reserves

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

WARD 2 FIRE DISTRICT
Pioneer, Louisiana

Notes to the Financial statements
For the Year Ended December 31, 2015

Designated Fund Balances

A designated fund balance is set aside as a sinking fund for repayment of a \$125,000 certificate of indebtedness. See Note 8.

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.

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.

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 Ward 2 Fire District maintains its checking accounts and CDs in the Commercial Capital Bank in Delhi, Louisiana. The district had a balance in its accounts on December 31, 2015 of \$174,760. The checking and investment accounts in aggregate are insured by the FDIC in the amount of \$250,000.

WARD 2 FIRE DISTRICT
Pioneer, Louisiana

Notes to the Financial statements
For the Year Ended December 31, 2015

NOTE 3. INVESTMENTS

As of December 31, 2015, the District had investments in the form of Certificates of Deposit in the Commercial Capital Bank in Delhi, Louisiana in the amount of \$144,576. The checking and investment accounts in aggregate are insured by the FDIC in the amount of \$250,000.

NOTE 4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
Total	925,426	71,688	0	997,114
	<u>925,426</u>	<u>71,688</u>	<u>0</u>	<u>997,114</u>

NOTE 5. RELATED PARTY TRANSACTIONS

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

NOTE 6. LITIGATION AND CLAIMS

The Ward 2 Fire District reported it 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 17, 2016. There were no subsequent events noted which would affect the financial statements for the year ended December 31, 2015.

NOTE 8. LONG TERM INDEBTEDNESS

On February 10, 2009, the West Carroll Parish Police Jury adopted a resolution approving issuance, sale, and delivery of \$125,000 of Certificates of Indebtedness, Series 2009, of West Carroll Parish Fire District No. 2 (Ward 2 Fire District, a component unit of the West Carroll Parish Police Jury). In conjunction with the issuance of certificates of indebtedness was an "Offer to Purchase" by the West Carroll Parish Fire District No. 2 dated February 10, 2009 for the express purpose "to acquire a fire truck and other fire

WARD 2 FIRE DISTRICT
Pioneer, Louisiana

Notes to the Financial statements
For the Year Ended December 31, 2015

fighting equipment and pay costs of issuance of the Certificates.” Details of the Certificates of Indebtedness are shown below. This Certificate of Indebtedness was paid in full in March, 2015.

On May 12, 2009, Certificates of Indebtedness, Series 2009, were issued by the Louisiana Public Facilities Authority, 2237 S. Acadian Thruway, Suite 650, Baton Rouge, LA, 70508, to the Ward 2 Fire District in the amount of \$18,000. These are non-interest bearing certificates of issue. The certificates are numbered R-2, R-4, R-6, R-8, and R-10, and mature for payment as shown below. This amount was paid in full 04/01/2015.

At December 31, 2015, Ward 2 Fire District had no outstanding debts.

The District has established a sinking fund in preparation for annual payments toward retiring the long term indebtedness and payment of interest on the note to Commercial Capital Bank of Delhi, LA.; \$2100 per month is placed into a savings account to be held until the notes payable listed above are due for payment. The sinking fund balance at 12/31/2015 was \$86,034, \$16,525 as restricted funds. No changes were made to the sinking fund in 2015, however, as noted above, these Certificates of Deposit have been paid in full.

	2015	2014
Total Assets	1,430,84	1,433,00
Total Liabilities	7,118,37	7,319,1
2009 - Certificates	1,113,34	2,113,10
2009 - Interest	1,511,68	5,150,70
2009 - Principal	288,00	752,30
2010 - Certificates	00,00	00,00
2000 - Certificates	00,00	200,00
Total Liabilities	4,913,02	8,216,10
Total Equity	1,430,84	1,433,00
2009 - Retained Earnings	1,430,84	1,433,00
2009 - Other Income	00,00	00,00
2009 - Other Expenses	00,00	00,00
Total Equity	1,430,84	1,433,00

**SUPPLEMENTARY
INFORMATION SCHEDULES**

WARD 2 FIRE DISTRICT
Pioneer, Louisiana

SUPPLEMENTARY INFORMATION SCHEDULE
For the Year Ended December 31, 2015

SCHEDULE OF COMPENSATION PAID COMMISSIONERS

The names and addresses of the commissioners who serve on the board of the Ward 2 Fire District are listed below. Board members serve without any financial compensation. They are as follows:

Wayne Allen – President
1980 La. Hwy 588
Pioneer, LA 71266
318/926-5141

Frankie Jones – Fire Chief
PO Box 176
Pioneer, LA 71266
318/428-2227

Donald Goodwin – Secretary/Treasurer
1033 Dummyline Road
Pioneer, LA 71266
318/926-4535

Chester Henshaw
120 Otis Wade Road
Oak Grove, LA 71263
318/428-7825

Willie James Pritchard
PO Box 63
Pioneer, LA 71266
318/428-3687

David Clark
PO Box 73
Pioneer, LA 71266
318/428-0358

SCHEDULE OF FINDINGS AND RESPONSES

Ward 2 Fire District

Pioneer, Louisiana

Findings for the Current Year Ended December 31, 2015

FINDING 2015-1

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.

FINANCIAL IMPACT OF FINDING: Finding without cause- resolution of finding is under the control of the agency

Findings for the Prior Year Ended December 31, 2014

.FINDING 2014-1

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.

Ward 2 Fire District
Pioneer, LA 71266
12-31-2015

Schedule of Compensation,
Benefits and Other Payments to Agency Head
or Chief Executive Officer

Agency Head Name: Frankie Jones, Fire Chief

Purpose	Amount
Salary	
Benefits-insurance	0
Benefits-retirement	0
Benefits-<list any other here>	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses*	0
Special meals	0

No compensation or other benefits were received by Mr. Jones or any of the other board members