

FOREST FIRE DISTRICT

Forest, Louisiana

Compiled Financial Statements
Year Ended December 31, 2016

PREPARED BY:

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FOREST FIRE DISTRICT
Forest, LA

Compiled Financial Statements
Year Ended December 31, 2016

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Independent Accountant's Compilation Report

Board of Directors
Forest Fire District
Forest, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Forest Fire District, a component unit of the West Carroll Parish Police Department, as of and for the year ended December 31, 2016, 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 paid commissioners, compensation, benefits, and other payments to the agency head, political subdivision head, or chief executive officer, and the schedule of findings and responses is presented for the purpose 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 Forest Fire District did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2016. The effects of this departure from generally accepted accounting principles has not been determined.


Jimmie Self, CPA

Monroe, Louisiana

05/31/2017

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

FOREST FIRE DISTRICT
 Forest, LA
 All Fund Types and Account Groups
 Combined Balance Sheet
 December 31, 2016

STATEMENT A

	Governmental Fund Type <u>General Fund</u>	Account Group General <u>Fixed Assets</u>	Total Memo Only
<u>ASSETS AND OTHER DEBITS</u>			
Cash in Bank	\$ 23,486	\$ -	\$ 23,486
Investments	130,752	-	130,752
Fixed Assets	-	737,705	737,705
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 154,238</u>	<u>\$ 737,705</u>	<u>\$ 891,943</u>
 <u>LIABILITIES AND FUND BALANCE:</u>			
	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
 FUND EQUITY			
Investments in General Fixed Assets	-	737,705	737,705
FUND BALANCE			
Undesignated	154,238	-	154,238
TOTAL FUND BALANCE	<u>154,238</u>	<u>-</u>	<u>891,943</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 154,238</u>	<u>\$ 737,705</u>	<u>\$ 891,943</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, 2016

	ORIGINAL BUDGET	FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
1/2 Cent Sales Tax	\$ 73,746	\$ 70,350.00	\$ 70,350	\$ -
Insurance Rebate	5,444	4,785	4,785	-
Grants	-	63,334	63,334	-
Refund	-	5,558	5,558	-
Miscellaneous	117	4,671	4,671	-
Interest Income	-	60	1,085	(1,025)
Total Revenues	<u>79,307</u>	<u>148,758</u>	<u>149,783</u>	<u>(1,025)</u>
EXPENDITURES				
Current - Public Safety:				
Administration Fees	1,383	3,239	3,240	(1)
Automobile Expense	-	-	250	(250)
Fuel	-	500	501	(1)
Operating services	4,208	-	730	(730)
Material and Supplies	73,465	77,615	77,615	-
Office	-	2,618	3,918	(1,300)
Utilities	3,565	3,934	2,515	1,419
Telephone	-	-	1,434	(1,434)
Truck Equipment Repairs	8,328	19,034	19,035	(1)
Insurance	12,560	14,975	14,975	-
Fuel	891	-	-	-
Training	3,229	1,805	1,805	-
Capital Outlays	225,627	29,000	28,820	180
Total Expenditures	<u>333,256</u>	<u>152,720</u>	<u>154,838</u>	<u>(2,118)</u>
Other Financing Sources (Uses)				
Sale of truck	-	15,000	15,000	-
EXCESS OF REVENUES OVER (EXPENDITURES)				
	(254,218)	11,038	9,945	1,093
FUND BALANCE AT BEGINNING OF YEAR				
	271,423	17,205	144,292	(127,087)
FUND BALANCE AT END OF YEAR				
	<u>\$ 17,205</u>	<u>\$ 28,243</u>	<u>\$ 154,238</u>	<u>\$ (125,995)</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, 2016

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, 2016. 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. GASB Statement No. 14, *The Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component units – an amendment of GASB 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

FOREST FIRE DISTRICT

Forest, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2016

- are fiscally dependent on the police jury.
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 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

FOREST FIRE DISTRICT
Forest, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2016

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 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

FOREST FIRE DISTRICT

Forest, Louisiana

Notes to the Financial Statements For the Year ended December 31, 2016

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

H. DEPOSITS AND INVESTMENTS

The District's cash and cash equivalents are amounts in demand deposits and cash on hand at year-end. State law limits the District's credit risk by restricting its investments to collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. If the original maturities are 90 days or less, they are classified as cash equivalents. If the original maturities of investments exceed 90 days, they are classified as investments. At December 31, 2016, the District's investments consist of nonnegotiable certificates of deposits with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost. The district's interest rate risk is limited by all investments maturing within 12 months of year end.

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

FOREST FIRE DISTRICT
Forest, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2016

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.

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, 2016 totaling \$23,486. The accounts are insured by the FDIC in the amount of \$250,000. Total checking and CD's held by the bank do not exceed the maximum amount insured by the FDIC. 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, 2016 of \$130,752, and a balance of \$23,486 in checking accounts, which totaled \$154,238, insured by the FDIC for \$250,000, which provides 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, 2016

NOTE 4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

FIXED ASSETS	Balance December 31, 2015	Additions	Deletions	Balance December 31, 2016
Land	2000	-	-	2,000
Building	110,937	-	-	110,937
Equipment	610,948	28,820	15,000	624,768
TOTAL	<u>446,981</u>	<u>28,820</u>	<u>15,000</u>	<u>737,705</u>

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, 2016.

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, May 31, 2017. There were no subsequent events noted which would affect the financial statements for the year ended December 31, 2016.

FOREST FIRE DISTRICT
Forest, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2016

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 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, 2016.

**SUPPLEMENTARY
INFORMATION SCHEDULES**

FOREST FIRE DISTRICT
Forest, Louisiana

SUPPLEMENTARY INFORMATION SCHEDULE
For the year ended December 31, 2016

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, Assistant Fire Chief
699 Chambless Rd
Oak Grove, LA 71263
318/428-7336

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

Brad Johnson
P. O. Box 429
Forest LA 71242
318/282-5050

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

Forest Fire District

Forest, Louisiana

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

12-31-2016 Year Ended

Agency Head Name: Vendal Fairchild-President

Purpose	Amount
Salary	0
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
	0

Please Note:

No compensation of any kind is paid to any agency head, chief executive, board member, or anyone else. This is strictly a VOLUNTEER fire District.

SCHEDULE OF FINDINGS AND RESPONSES
FOREST FIRE DISTRICT
Forest, Louisiana
Findings for the Current Year Ended December 31, 2016

FINDING 2016-1

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: Without cause. (resolution of finding is under the control of the agency and would be cost effective).

Findings for the Prior Year Ended December 31, 2015

FINDING 2015-

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: Without cause. (resolution of finding is under the control of the agency and would be cost effective).