

**FIRE PROTECTION DISTRICT No. 6
OF GRANT PARISH
Bentley, Louisiana**

AND

**HUDSON CREEK FIRE DEPARTMENT, INC.
Dry Prong, Louisiana**

Compiled Financial Statements
Year Ended December 31, 2018

PREPARED BY:

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**FIRE PROTECTION DISTRICT No. 6 OF GRANT PARISH
AND
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, Inc.**

Compiled Financial Statements
Year Ended December 31, 2018

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Independent Accountant's Compilation Report

Mr. **Bill Smith**
Board of Directors
Grant Parish Fire District
P.O. Box 131
Bentley, Louisiana 71407

Management is responsible for the accompanying financial statements of Grant Parish Fire District #6, a component unit of the Grant Parish Police Department, which comprise the balance sheet as of December 31, 2018, 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 Grant Parish Fire District #6 did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2018. The effects of this departure from generally accepted accounting principles has not been determined.



Jimmie Self, CPA

Monroe, Louisiana

June 13, 2019

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

GRANT PARISH FIRE PROTECTION DISTRICT No. 6
 HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.
 Bentley, LA

STATEMENT A

ALL FUND TYPES AND ACCOUNT GROUPS
 COMBINED BALANCE SHEET
 December 31, 2018

	Governmental Fund Type <u>General Fund</u>	ACCOUNT GROUP <u>General Fixed Assets</u>	Totals Memorandum Only
ASSETS AND OTHER DEBITS			
Cash and Cash Equivalents	\$ 93,503	\$ -	\$ 93,503
Land, Buildings, and Equipment	-	890,833	890,833
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 93,503</u>	<u>\$ 890,833</u>	<u>\$ 984,336</u>
LIABILITIES AND FUND EQUITY:			
LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Investments in General Fixed Assets	-	890,833	890,833
Undesignated	93,503	-	93,503
TOTAL FUND BALANCE	<u>93,503</u>	<u>890,833</u>	<u>984,336</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 93,503</u>	<u>\$ 890,833</u>	<u>\$ 984,336</u>

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

GRANT PARISH FIRE PROTECTION DISTRICT No. 6
 HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.
 Bentley, 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, 2018

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Ad Valorem Taxes and Related Revenue Sharing	\$ 83,000.00	\$ 120,000.00	\$ 120,360.00	360
Insurance Rebate	22,000	33,000	-	(33,000)
Interest Income	50	200	250	50
Revenue Sharing	8,000	10,000	9,963	(37)
Other IncomeGrant	-	-	32,716	32,716
Total Revenues	113,050	163,200	163,289	89
EXPENDITURES				
Public Safety:				
Bank Service Charges	-	-	73	(73)
Operating services	2,200	-	-	-
Payroll	-	33,000	27,005	5,995
Payroll W/H and Taxes	7,000	8,000	6,548	1,452
Insurance	24,000	10,000	10,274	(274)
Utilities and Telephone	8,000	-	-	-
Medical bag	-	-	4,293	(4,293)
Office Expense	1,000	6,400	6,541	(141)
Maintenance and Repair	-	-	1,110	(1,110)
Telephone	-	-	2,779	(2,779)
Training	-	-	300	(300)
Utilities	8,800	10,000	7,515	2,485
Vehicle Expense	-	-	17,036	(17,036)
Miscellaneous	10,000	18,000	941	17,059
Fuel and lube expense	8,000	8,000	18,726	(10,726)
Capital Expenditures	44,000	55,000	46,869	8,131
Total Expenditures	113,000	148,400	150,010	(1,610)
EXCESS OF REVENUES OVER EXPENDITURES	50	14,800	13,279	1,521
FUND BALANCE BEGINNING OF YEAR	32,871	32,921	80,224	(47,303)
FUND BALANCE ENDING OF YEAR	\$ 32,921	\$ 47,721	\$ 93,503	\$ (45,782)

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT.

NOTES

**FIRE PROTECTION DISTRICT No. 6 OF GRANT PARISH
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.**

**Notes to Financial Statements
December 31, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements include the combined operations of Fire Protection District No. 6 of Grant Parish (the District) and Hudson Creek Volunteer Fire Department, Inc. (the Department). These organizations are described as follows:

Fire Protection District No. 6 of Grant Parish was created by the Grant Parish Police Jury and is governed by a board of directors appointed by the Police Jury. The District serves generally the same area as the Hudson Creek Volunteer Fire Department; however, the District is a political subdivision with the ability to levy taxes to support fire protection activities. The District is funded primarily by property taxes.

Hudson Creek Volunteer Fire Department, Inc. was established to provide fire protection for a portion of Grant Parish. The Department is a Louisiana non-profit corporation governed by a Board of Directors elected by its membership. The department has been funded primarily by donations and fundraising activities.

The District and the Department have historically exercised fire protection activities in a cooperative fashion. Accordingly, the combined activities have been consolidated into a single financial statement presentation. The financial statements are prepared in accordance with generally accepted accounting principles for governmental units.

The District is a component unit of the Grant Parish Police Jury, the primary governing body of the Parish and the governmental body with oversight responsibility. The accompanying financial statements present information on the funds maintained by the District and the Department, and do not present financial information on the primary government, the general government services provided by the Police Jury, or the other governmental units that are accountable to the primary government.

A. Basis of Presentation

The accompanying general purpose financial statements of the District and Department 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 Grant Parish Fire Protection District No. 6 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.

**FIRE PROTECTION DISTRICT No. 6 OF GRANT PARISH
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.**

**Notes to Financial Statements
December 31, 2018**

B. Reporting Entity

As the governing authority of the parish for reporting purposes, the Grant Parish Police Jury is the financial entity for the Grant Parish Fire Protection District No. 6, (the District) and the Hudson Creek Fire Department, Inc. (the Department). 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 Grant Parish 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 includes:

- A. 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.

- 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 District and Department are fiscally dependent on the police jury, they were determined to be a component unit of the Grant Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and Department 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 and Department use 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.

**FIRE PROTECTION DISTRICT No. 6 OF GRANT PARISH
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.**

**Notes to Financial Statements
December 31, 2018**

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 and Department is the governmental fund. Governmental funds account for the District and Department'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 in for 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 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 GAAP basis of accounting, were prepared and adopted by the board of commissioners in December preceding the beginning of the new

**FIRE PROTECTION DISTRICT No. 6 OF GRANT PARISH
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.**

**Notes to Financial Statements
December 31, 2018**

fiscal 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 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 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 and Department 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, deposits 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 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.

H. Risk Management

The District carries both liability and workers comp insurance for the protection of the volunteers and the public served. The District also carries insurance on the operational vehicles.

I. Fixed Assets

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 governmental fund (General Fund). No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost including interest. It is the District and Department's policy to capitalize expenditures greater than \$750.

**FIRE PROTECTION DISTRICT No. 6 OF GRANT PARISH
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.**

**Notes to Financial Statements
December 31, 2018**

Compensated Absences

The district has only part-time 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 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.

M. Total Columns on Statements

The total column on the combined statements is captioned "Memorandum Only" 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 generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets for the year ended December 31, 2018 follows:

	<u>Beginning Balance 12/31/17</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/2018</u>
Land	\$ 15,000	-	-	\$ 15,000
Buildings	61,423	-	-	61,423
Total	<u>\$ 843,964</u>	<u>\$ 46,869</u>	<u>-</u>	<u>\$ 890,833</u>

No depreciation has been charged.

**FIRE PROTECTION DISTRICT No. 6 OF GRANT PARISH
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.**

**Notes to Financial Statements
December 31, 2018**

NOTE 3. CASH AND CASH EQUIVALENTS

On December 31, 2018, the checking account and savings account bank balance was in the amount of \$93,503, held in the Colfax Banking Company in Colfax, LA. Bank deposits were fully insured by the FDIC up to \$250,000.

NOTE 4. AD VALOREM TAXES

Ad Valorem taxes are assessed based on a proposition approved by the voters on May 3, 1997 authorizing 15 mills for a period of 10 years beginning with 1997 for the purpose of purchasing and maintaining equipment, and the general operations of the District.

A tax renewal election was held on November 21, 2015. The tax millage of 13.83 mills - 10 years- was upheld in that election for the future support of the fire district.

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Ad valorem taxes are determined using the assessed values determined by the Tax Assessor of Grant Parish. Revenues from ad valorem taxes are recognized as revenue in the year billed.

NOTE 5. RELATED PARTY TRANSACTIONS

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

NOTE 6. SUBSEQUENT EVENTS

Subsequent events were evaluated by management up to and including the issue date of this report, June 13, 2019. There were no subsequent events noted which would affect the financial statements for the year ended December 31, 2018.

NOTE 8. RISK MANAGEMENT

The Fire District is exposed to 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 District maintains various insurance coverages. The policy covers general liability, property, 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 year.

**FIRE PROTECTION DISTRICT No. 6 OF GRANT PARISH
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.**

**Notes to Financial Statements
December 31, 2018**

The insurance is provided through the Wilkins Insurance Agency, Inc. and Regions Insurance, Inc.

NOTE 9. LEASE

The fire district leases a building in Bentley which it utilizes as Fire Station #2 for the purpose of storage and accessibility of truck mounted fire fighting equipment. The building is leased from Huey Wallace on a 25 year lease for the amount of \$1.00 for the entire term of the lease.

**SUPPLEMENTARY
INFORMATION SCHEDULES**

GRANT PARISH FIRE PROTECTION DISTRICT No. 6 SCHEDULE 1
and
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.
Bentley, Louisiana

SCHEDULE OF COMPENSATION PAID COMMISSIONERS
For the year ended December 31, 2018

The names of the commissioners who serve on the board are listed below. They are as follows:

Frankie Coleman - President 1746 Grays Creek Road Dry Prong, LA 71423 318/201-2362	\$840
Terry Sharbono – Vice President P. O. Box96 Dry Prong, LA 71423 318/623-0737	\$840
William Smith – Secretary 182 Crooks Lane Dry Prong, LA 71423 318/451-4140 cell	\$6900
Carolyn Gresham – Treasurer 950 Hwy 1241 Dry Prong, LA 71423 318/452-8074	\$840
Gary Edwards – Board Member 571 Stuart Lake Road Pollock, LA 71467 318/446-3475	\$840

SCHEDULE OF FINDINGS AND RESPONSES
GRANT PARISH FIRE PROTECTION DISTRICT No. 6
Bentley, Louisiana

Findings for the Current Year Ended December 31, 2018

FINDING 2018-1

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 and would be cost effective.

Findings for the Prior Year Ended December 31, 2017

FINDING 2017-1

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.

FINANCIAL IMPACT OF FINDING: Finding without cause- resolution of finding is under the control of the agency and would be cost effective.

Grant Parish Fire District #6

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

12-31-2018 Year Ended

Agency Head Name: Frankie Coleman-President

Purpose	Amount
Salary	\$840
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:

Mr. William M. Smith, Secretary, receives \$6,900 as a part-time employee. He served for the full 12 months.

Mr. Jerry F. Coleman received \$25,616 (salary) in 2018.

All other board members receive \$840 annually, and receive no other benefits or other payments.