

**SIMMESPORT VOLUNTEER
FIRE DEPARTMENT, INC.
Simmesport, Louisiana
General Purpose Financial Statements
(Unaudited)
Year Ended June 30, 2018**

Ducote & Company
Certified Public Accountants
P. O. Box 309
219 North Washington Street
Marksville, LA 71351

**SIMMESPORT VOLUNTEER FIRE DEPARTMENT, INC.
SIMMESPORT, LOUISIANA**

**GENERAL PURPOSE FINANCIAL STATEMENTS
(UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Mr. Jacob Coco, Fire Chief
Simmesport Volunteer Fire Department, Inc.
Simmesport, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities of the Simmesport Volunteer Fire Department, Inc., as of and for the year ended June 30, 2018, and related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We 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. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we 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 Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 12 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required 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. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Supplementary Information

The accompanying Combining Balance Sheet and Combining Statement of Revenues on page 14 and 15, are presented for purposes of additional analysis and are not required parts of the basic financial statements. This information is the representation of management. This information was subject to compilation engagement, but we have not audited or reviewed the supplementary information, and accordingly, do not express an opinion, a conclusion, nor provided any assurance on such information.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement 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 content.

Ducote & Company
Certified Public Accountants
Marksville, Louisiana
September 7, 2018

**SIMMESPORT VOLUNTEER FIRE DEPARTMENT
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2018**

	Governmental Fund Type	Account Groups		Totals (Memorandum Only)
	Special Revenue	General Long-Term Obligations	General Fixed Assets	
<u>ASSETS</u>				
Cash and cash equivalents	\$113,930	\$0	\$0	\$113,930
Property, plant, and equipment:				
Buildings	0	0	140,025	140,025
Machinery and equipment	0	0	634,665	634,665
Amount to be provided for retirement of Long-term obligations	0	114,382	0	114,382
TOTAL ASSETS AND OTHER DEBTS	<u>\$113,930</u>	<u>\$114,382</u>	<u>\$774,690</u>	<u>\$1,003,002</u>
<u>LIABILITIES, FUND EQUITY AND OTHER CREDITS</u>				
<u>LIABILITIES</u>				
Accounts payable	\$0	\$0	\$0	\$0
Loans payable	0	114,382	0	114,382
TOTAL LIABILITIES	<u>0</u>	<u>114,382</u>	<u>0</u>	<u>114,382</u>
<u>FUND EQUITY AND OTHER CREDITS</u>				
Investment in general fixed assets	0	0	774,690	774,690
Restricted for fire protection	113,930	0	0	113,930
TOTAL FUND EQUITY AND OTHER CREDITS	<u>113,930</u>	<u>0</u>	<u>774,690</u>	<u>888,621</u>
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	<u>\$113,930</u>	<u>\$114,382</u>	<u>\$774,690</u>	<u>\$1,003,002</u>

See accompanying notes and independent accountants' compilation report.

**SIMMESPORT VOLUNTEER FIRE DEPARTMENT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2018**

REVENUES

Taxes	\$89,630
Intergovernmental	<u>14,092</u>

TOTAL REVENUES	<u>103,722</u>
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EXPENDITURES

Current:	
Public safety	72,460
Capital outlay	101,298
Debt service	<u>21,502</u>

TOTAL EXPENDITURES	<u>195,260</u>
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EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(91,538)</u>
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OTHER FINANCING SOURCES (USES)

Transfers in	0
Transfers out	0
Grant revenue	<u>82,667</u>

TOTAL OTHER FINANCING SOURCES (USES)	<u>82,667</u>
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EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,871)
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FUND BALANCE AT BEGINNING OF YEAR	<u>122,802</u>
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FUND BALANCE AT END OF YEAR	<u><u>\$113,930</u></u>
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See accompanying notes and independent accountants' compilation report.

SIMMESPORT VOLUNTEER FIRE DEPARTMENT, INC.

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

INTRODUCTION

The Simmesport Volunteer Fire Department, Inc. was incorporated on March 1, 1988, under the provision of the Louisiana Revised Statutes 1950, Title 12, Chapter 2. The Corporation is organized on a non-profit basis and operates primarily for the purpose of performing all acts and deeds incidental or proper for the purpose of providing for fire protection for persons, homes, business establishments, and generally all persons and properties situated within the volunteer fire department as reasonably can be expected with equipment acquired by the department. The Board of Directors consists of not less than seven, or more than eleven members. The members of the Board of Directors are elected at the annual membership meeting. No compensation is paid to the Board members.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Simmesport Volunteer Fire Department, Inc. have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units, with exception that as referred to in the compilation report, the department did not adopt the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The Simmesport Volunteer Fire Department, Inc. is the financial reporting entity. The financial reporting entity consists of (a) the primary government (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.

Government Accounting Standards Board Statement No. 14 established criteria for determining which component units, if any, should be considered part of the financial reporting entity. 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.

SIMMESPORT VOLUNTEER FIRE DEPARTMENT, INC.

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

B. REPORTING ENTITY (continued)

This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the entity to impose its will on the organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the entity.

2. Organizations for which the department does not appoint a voting majority but are fiscally dependent on the department.

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.

The accompanying financial statements present information only on the funds maintained by the governmental unit, or the other governmental units that comprise the financial reporting entity. There are no component units meeting the above criteria requiring inclusion in the financial reporting entity.

C. FUND ACCOUNTING

The accounts of the Simmesport Volunteer Fire Department, Inc. are organized and operated on a basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds and account groups are grouped in the financial statements in this report in the following categories:

Governmental Funds-

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

SIMMESPORT VOLUNTEER FIRE DEPARTMENT, INC.

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

C. FUND ACCOUNTING (continued)

Account Groups-

Fixed Assets:

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Asset Account Group and are recorded as expenditures in the governmental fund type when purchased. No depreciation has been provided on general fixed assets.

General Long-Term Debt:

The long-term debt used in governmental fund type operations (general long-term debt) are accounted for in the General Long-Term Obligations Account Group and are recorded as other financing sources in the governmental fund type when the debt is incurred.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes are recognized as revenue in the year for which such taxes are billed and collected. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues.

Expenditures are generally recognized under the modified accrual basis of accounting when related fund liability is incurred, except the principal and interest on general long-term debt is recognized as expenditure when due.

SIMMESPORT VOLUNTEER FIRE DEPARTMENT, INC.

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the department may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the department may invest in United States bonds, treasury notes, or certificates.

These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

F. BUDGET PRACTICES

The department is not required by law to formally adopt a budget. Therefore, the presentation of a statement of revenues, expenditures, and changes in fund balances – budget and actual, for the special revenue funds is not required.

G. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and related assets are 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.

H. COMPENSATED ABSENCES

The department has no employees; all services are performed by volunteers. Therefore, the department has no policy relating to compensated absences.

I. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

SIMMESPORT VOLUNTEER FIRE DEPARTMENT, INC.

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

J. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. FUND EQUITY OF FUND FINANCIAL STATEMENTS

The town adopted the provisions of GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended June 30, 2018. GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

Non-spendable – Fund balance that is not in spendable form or is legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories or prepaid items.

Restricted – Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed - Fund balance that can only be used for specific purposes determined by the Department's highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Department removes or changes the specified use by taking the same type of action it employed to previously commit the funds. Committed fund balance is the result of either a policy of the Department or motions passed at a Department meeting committing the funds.

Assigned - Fund balance that is constrained by the Department's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Department.

Unassigned – Fund balance that is unrestricted which consists of all other net assets that do not meet any other definition.

NOTE 2. CASH AND CASH EQUIVALENTS

At June 30, 2018, the department has cash and cash equivalents (book balances) as follows:

Demand Deposits	<u>\$113,930</u>
Total	<u>\$113,930</u>

SIMMESPORT VOLUNTEER FIRE DEPARTMENT, INC.

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 2. CASH AND CASH EQUIVALENTS (continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balance) 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 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. At June 30, 2016, the department has \$113,930 in deposits (collected bank balances). These deposits are secured from risk by \$113,930 of federal deposit insurance.

NOTE 3. RECEIVABLES

The following is a summary of receivables at June 30, 2018:

Taxes Receivable	<u>\$0</u>
Total	<u>\$0</u>

No allowance for bad debt has been made due to the immaterial amount of receivables.

NOTE 4. LONG-TERM NOTES PAYABLE

Simmesport State Bank

By resolution of the Board, the Simmesport Volunteer Fire Department, Inc. authorized the incurrence of indebtedness in the principal amount of \$178,800 for the purpose of refinancing existing debt owed to Government Capital and to borrow an additional amount to purchase equipment. The Board of Directors entered into a security agreement with Simmesport State Bank to borrow \$178,800 at an interest rate of 3.5% payable over ten years.

At June 30, 2018 the department had an outstanding principal balance of \$114,382. Future debt service requirements are as follows:

Year Ended	Principal	Interest	Totals
2019	17,434	4,068	21,502
2020	18,054	3,448	21,502
2021	18,696	2,806	21,502
2022	19,361	2,141	21,502
2023	20,050	1,452	21,502
2024	<u>20,787</u>	<u>739</u>	<u>21,526</u>
Totals	<u><u>\$114,382</u></u>	<u><u>\$14,654</u></u>	<u><u>\$129,036</u></u>

SIMMESPORT VOLUNTEER FIRE DEPARTMENT, INC.

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 4. LONG-TERM NOTES PAYABLE (continued)

A summary of changes in long-term debt for the year ended June 30, 2018:

Description	Balance 06/30/17	Additions	Payments	Balance 06/30/18
Simmesport State Bank	\$ 131,186	\$ -	\$ 16,803	\$ 114,382
Totals	\$ 131,186	\$ -	\$ 16,803	\$ 114,382

NOTE 5. CAPITAL ASSETS

A summary of changes in general fixed assets for the year ended June 30, 2018, is as follows:

	Balance 6/30/2017	Additions	Deletions	Balance 6/30/2018
Building & Improvements	\$ 140,025	\$ -	\$ -	\$ 140,025
Machinery & Equipment	533,366	101,298	-	634,664
Total Capital Assets	\$ 673,391	\$ 101,298	\$ -	\$ 774,690

NOTE 6. RESTRICTION OF FUND BALANCE

In the Special Revenue Fund, the assigned fund balance in the Simmesport Fire Department Tax Fund has been designated for the purchase of equipment or supplies, salaries of firemen, repair of equipment, training and/or training aids, fire station building and/or maintenance, and/or any other fire protection related expenditure within the sub district, pursuant to Article 8 of the Avoyelles Fire Protection District #2.

NOTE 7. LITIGATION AND CONTINGENCIES

At June 30, 2018, the Simmesport Volunteer Fire Department, Inc. was not involved in any litigation that would materially affect the financial statements.

NOTE 8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 07, 2018. This date represents the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD

SIMMESPORT VOLUNTER FIRE DEPARTMENT, INC.
Schedule 3

**SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD**

Agency Head: Jacob Coco

<u>Purpose</u>	<u>Amount</u>
Salary	\$0
Benefits:	
Insurance	0
Retirement	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	
Conference travel	
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Professional dues	182
Special meals	0
	<u>0</u>
	<u>\$182</u>

See independent accountants' compilation report.

SUPPLEMENTAL INFORMATION

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS

SPECIAL REVENUE FUNDS

Simmesport Volunteer Fire Department – This fund is used to account for the revenues received by the Volunteer Fire Department from various sources including self-generated funds used for providing fire protection within its district.

Simmesport Fire Department Tax Fund – This fund is used to account for the revenues received by the Volunteer Fire Department from Ad Valorem Property Tax Assessments within Fire District #2 of the Parish of Avoyelles as allocated to each sub-district within this taxing district.

**SIMMESPORT VOLUNTEER FIRE DEPARTMENT
SIMMESPORT, LOUISIANA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2018**

Schedule 1

	Volunteer Fire Department Tax Fund	Volunteer Fire Department	Totals
<u>ASSETS AND OTHER DEBITS</u>			
Cash and cash equivalents	\$45,739	\$68,192	\$113,930
Due from other funds	703	0	703
TOTAL ASSETS	\$46,441	\$68,192	\$114,633
 <u>LIABILITIES AND FUND EQUITY</u>			
<u>LIABILITIES</u>			
Accounts payable	\$0	\$0	\$0
Due to other funds	0	703	-703
TOTAL LIABILITIES	0	703	703
 <u>FUND EQUITY</u>			
Restricted for fire protection	46,441	67,489	113,930
TOTAL FUND EQUITY	46,441	67,489	113,930
 TOTAL LIABILITIES AND FUND EQUITY	 \$46,441	 \$68,192	 \$114,633

See independent accountants' compilation report.

**SIMMESPORT VOLUNTEER FIRE DEPARTMENT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018**

Schedule 2

	Fire Department Tax Fund	Volunteer Fire Department Fund	Totals
REVENUES			
Taxes:			
Fire protection district #2	\$89,630	\$0	\$89,630
Intergovernmental:			
2% Fire insurance rebate	0	13,012	13,012
Appropriation from police jury	0	1,080	1,080
Miscellaneous:			
Miscellaneous	0	0	0
Donations	0	0	0
Interest Income	0	0	0
TOTAL REVENUES	89,630	14,092	103,722
EXPENDITURES			
Public Safety:			
Repairs and maintenance	14,329	0	14,329
Parts and supplies	23,427	0	23,427
Insurance	16,600	0	16,600
Legal and professional	2,600	0	2,600
Dues and meetings	182	0	182
Fuel expense	3,936	0	3,936
Utilities	0	0	0
Continuing education/CPR & EMT classes	0	0	0
Miscellaneous	4,099	3,788	7,887
Office expense	3,493	7	3,500
Contributions	0	0	0
Capital outlay	18,631	82,667	101,298
Debt service	21,502	0	21,502
TOTAL EXPENDITURES	108,798	86,462	195,260
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(19,168)	(72,370)	(91,538)
OTHER FINANCING SOURCES (USES)			
Transfers in	0	0	0
Transfers out	0	0	0
Grant revenue	0	82,667	82,667
TOTAL OTHER FINANCING SOURCES (USES)	0	82,667	82,667
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(19,168)	10,297	(8,871)
FUND BALANCE AT BEGINNING OF YEAR	65,610	57,192	122,802
FUND BALANCE AT END OF YEAR	\$46,441	\$67,489	\$113,930

See independent accountants' compilation report.

SIMMESPORT VOLUNTEER FIRE DEPARTMENT, INC.
Status of Prior Year Findings
For the Year Ended June 30, 2018

Schedule 4

<u>Ref No.</u>	<u>Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken Yes, No, Partially</u>	<u>Date Planned Corrective Action Taken</u>
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No prior year findings.