

WARD 2 FIRE PROTECTION DISTRICT NO. 1  
OF MOREHOUSE PARISH, LOUISIANA

FINANCIAL REPORT  
(Compiled)

December 31, 2018

**HILL, INZINA & COMPANY**

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# HILL, INZINA & COMPANY

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## ACCOUNTANT'S COMPILATION REPORT

Board of Commissioners  
Ward 2 Fire Protection District No. 1  
of Morehouse Parish, Louisiana  
Bastrop, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities and each major fund of Ward 2 Fire Protection District No. 1 of Morehouse Parish, Louisiana (the "District") (a component unit of Morehouse Parish), as of and for the year ended December 31, 2018, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. 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 American Institute of Certified Public Accountants. 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.

Management of the District has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This information is the representation

of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the required supplementary information and accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on such information.

We are not independent with respect to the District.

*/s/ Hill, Inzina & Co.*

February 25, 2019

BASIC FINANCIAL STATEMENTS

WARD 2 FIRE PROTECTION DISTRICT NO. 1  
OF MOREHOUSE PARISH, LOUISIANA

STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES - GENERAL FUND  
December 31, 2018

ASSETS

Cash	\$ 117,729
Certificates of deposit	71,979
Property taxes receivable	86,257
Capital assets:	
Land	5,210
Other capital assets, net of depreciation	<u>167,285</u>
 Total assets	 <u>\$ 448,460</u>

DEFERRED INFLOWS OF RESOURCES

Property taxes	<u>\$ 90,959</u>
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NET POSITION

Invested in capital assets	\$ 172,495
Unrestricted	<u>185,006</u>
 Total net position	 <u><u>\$ 357,501</u></u>

See accountant's compilation report.

WARD 2 FIRE PROTECTION DISTRICT NO. 1  
OF MOREHOUSE PARISH, LOUISIANA

STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES - GENERAL FUND  
As of and for the Year Ended December 31, 2018

Expenses:	
Current:	
Public safety:	
Depreciation	\$ 31,153
Bank charges	373
Insurance	21,700
Maintenance and operations	18,752
Office supplies	1,441
Pension cost	2,706
Telephone	5,411
Training	328
Utilities	3,454
Total expenses	<u>\$ 85,318</u>
General revenues:	
Ad valorem taxes	\$ 83,028
Fire insurance rebate	4,170
Refuge revenue sharing	3,086
Interest	36
Total general revenues	<u>\$ 90,320</u>
Change in net position	\$ 5,002
Net position - beginning	<u>352,499</u>
Net position - ending	<u>\$ 357,501</u>

See accountant's compilation report.

WARD 2 FIRE PROTECTION DISTRICT NO. 1  
OF MOREHOUSE PARISH, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUND - GENERAL FUND  
December 31, 2018

ASSETS

Cash	\$	117,729
Certificates of deposit		71,979
Property taxes receivable		<u>86,257</u>
Total assets	\$	<u><u>275,965</u></u>

DEFERRED INFLOWS OF RESOURCES

Property taxes	\$	90,959
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FUND BALANCE

Unassigned		<u>185,006</u>
Total deferred inflows of resources and fund balance	\$	<u><u>275,965</u></u>

See accountant's compilation report.

WARD 2 FIRE PROTECTION DISTRICT NO. 1  
OF MOREHOUSE PARISH, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND - GENERAL FUND  
As of and for the Year Ended December 31, 2018

Revenues:	
Ad valorem taxes	\$ 83,028
Fire insurance rebate	4,170
Refuge revenue sharing	3,086
Interest and miscellaneous	36
Total revenues	<u>\$ 90,320</u>
Expenditures:	
Current:	
Public safety:	
Bank charges	\$ 373
Insurance	21,700
Maintenance and operations	18,752
Office supplies	1,441
Pension cost	2,706
Telephone	5,411
Training	328
Utilities	3,454
Total expenditures	<u>\$ 54,165</u>
Net change in fund balance	\$ 36,155
Fund balance - beginning	<u>148,851</u>
Fund balance - ending	<u>\$ 185,006</u>

See accountant's compilation report.

WARD 2 FIRE PROTECTION DISTRICT NO. 1  
OF MOREHOUSE PARISH, LOUISIANA

RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET  
TO GOVERNMENT-WIDE STATEMENT OF NET POSITION  
December 31, 2018

Total fund balance - governmental fund balance sheet	\$ 185,006
Amounts reported for governmental activities in statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund.	<u>172,495</u>
Total net position of governmental activities - government-wide statement of net position	<u>\$ 357,501</u>

See accountant's compilation report.

WARD 2 FIRE PROTECTION DISTRICT NO. 1  
OF MOREHOUSE PARISH, LOUISIANA

RECONCILIATION OF GOVERNMENTAL FUND STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE TO  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
December 31, 2018

Net change in fund balance - governmental fund - general fund \$ 36,155

Amounts reported for governmental activities in statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$31,153) exceeded capital outlay (\$0) in the current period. ( 31,153)

Change in net position of governmental activities - government-wide statement of activities \$ 5,002

See accountant's compilation report.

REQUIRED SUPPLEMENTARY INFORMATION

WARD 2 FIRE PROTECTION DISTRICT NO. 1  
OF MOREHOUSE PARISH, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GOVERNMENTAL FUND - GENERAL FUND  
As of and for the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget - Favorable <u>(Unfavorable)</u>
Revenues:				
Ad valorem taxes	\$ 78,000	\$ 78,501	\$ 83,028	\$ 4,527
Fire insurance rebate	4,300	4,170	4,170	-
Refuge revenue sharing	-	-	3,086	3,086
Interest and miscellaneous	<u>1,300</u>	<u>3,086</u>	<u>36</u>	<u>( 3,050)</u>
Total revenues	<u>\$ 83,600</u>	<u>\$ 85,757</u>	<u>\$ 90,320</u>	<u>\$ 4,563</u>
Expenditures:				
Current:				
Public safety:				
Bank charges	\$ -	\$ 149	\$ 373	\$( 224)
Dues	162	-	-	-
Insurance	22,000	21,700	21,700	-
Legal and accounting	3,020	-	-	-
Maintenance and operations	10,000	18,777	18,752	25
Office supplies	1,500	1,507	1,441	66
Pension cost	-	-	2,706	( 2,706)
Telephone	-	-	5,411	( 5,411)
Training	600	328	328	-
Utilities	7,000	8,869	3,454	5,415
Capital outlay	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 47,282</u>	<u>\$ 51,330</u>	<u>\$ 54,165</u>	<u>\$( 2,835)</u>
Net change in fund balance	\$ 36,318	\$ 34,427	\$ 36,155	\$ 1,728
Fund balance - beginning	<u>148,784</u>	<u>148,784</u>	<u>148,851</u>	<u>67</u>
Fund balance - ending	<u>\$ 185,102</u>	<u>\$ 183,211</u>	<u>\$ 185,006</u>	<u>\$ 1,795</u>

See accountant's compilation report.

OTHER SUPPLEMENTARY INFORMATION

WARD 2 FIRE PROTECTION DISTRICT NO. 1  
OF MOREHOUSE PARISH, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS,  
AND OTHER PAYMENTS TO AGENCY HEAD  
As of and For the Year Ended December 31, 2018

The District paid no compensation, reimbursements, or benefits to an agency head during the year ended December 31, 2018.

See accountant's compilation report.

WARD 2 FIRE PROTECTION DISTRICT NO. 1  
OF MOREHOUSE PARISH, LOUISIANA

SUMMARY SCHEDULE OF CURRENT YEAR FINDING  
For the Year Ended December 31, 2018

Section I - Compilation

2018-1 Noncompliance with Local Government Budget Act

Criteria:	The Local Government Budget Act requires that the chief executive officer or equivalent notify in writing the governing authority during the year when actual revenues (expenditures) and other financing sources (uses) plus projected revenues (expenditures) and other financing sources (uses) for the year exceeded budgeted revenues (expenditures) and other financing sources (uses) by 5% or more.
Condition:	Actual expenditures of \$54,165 for the year ended December 31, 2018 exceeded budgeted appropriations of \$51,330 by \$2,835 or 5.5%. The unfavorable variances primarily occurred in the pension cost and telephone expenditures.
Cause:	The budget is not being timely adopted, monitored, and amended as it becomes necessary.
Effect:	The District is in violation of the Local Government Budget Act.
Recommendation:	Budgets should be timely adopted, monitored, and amended. The Local Government Budget Act and related statutes should be reviewed to ensure compliance with all requirements.
Management's response and planned corrective action:	We concur with the finding.

Section II - Management Letter

None issued.

WARD 2 FIRE PROTECTION DISTRICT NO. 1  
OF MOREHOUSE PARISH, LOUISIANA

SUMMARY SCHEDULE OF PRIOR YEAR FINDING  
As of and For the Year Ended December 31, 2018

Section I - Compilation

2017-1 Noncompliance with Local Government Budget Act

Actual expenditures for the year ended December 31,  
2017 exceeded budgeted appropriations by 10.8%.

Unresolved - 2018-1.

Section II - Management Letter

None issued.