

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana

Annual Financial Statements
With Accountant's Compilation Report
As of and for the Year Ended
December 31, 2019
With Supplemental Information Schedules

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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Accountant's Compilation Report

**BOARD OF COMMISSIONERS
OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana**

Management is responsible for the accompanying financial statements of the governmental activities and major fund of the Oak Grove Fire District, a component unit of the West Carroll Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Oak Grove Fire 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. 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 AICPA. 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.

Management has elected to omit substantially all 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 Fund's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Management has also 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. Such missing information, 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 financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 financial reporting for placing the basic financial statements in a appropriate operational, economic, or historical context. This information is the representation of management. This information was subject to my compilation agreement, however, I have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

The schedule of compensation, benefits, and other payments to agency head on page 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and, accordingly do not express an opinion or provide any assurance on such supplementary information.


West Monroe, Louisiana
April 21, 2020

**ANNUAL FINANCIAL STATEMENTS
(OVERVIEW)**

OAK GROVE FIRE DISTRICT
Oak Grove, LouisianaSTATEMENT OF NET ASSETS
December 31, 2019**ASSETS**

| | |
|--|------------------|
| Cash and cash equivalents | \$69,824 |
| Receivables - ad valorem taxes | 7,477 |
| Capital assets (net of accumulated depreciation) | <u>159,415</u> |
| TOTAL ASSETS | <u>\$236,716</u> |

LIABILITIES

| | |
|-------------------|----------------|
| Accounts payable | <u>\$1,273</u> |
| TOTAL LIABILITIES | <u>1,273</u> |

NET ASSETS

| | |
|---|------------------|
| Invested in capital assets, net of related debt | 159,415 |
| Unrestricted | <u>76,028</u> |
| TOTAL NET ASSETS | <u>\$235,443</u> |

See accompanying notes and independent accountant's report.

OAK GROVE FIRE DISTRICT
Oak Grove, LouisianaSTATEMENT OF ACTIVITIES
December 31, 2019

| | |
|--------------------------------|------------------|
| Public safety: | |
| Operating services | \$65,550 |
| Materials and supplies | 15,927 |
| Depreciation expense | <u>29,523</u> |
| Total Program Expenses | <u>111,000</u> |
| General revenues: | |
| Taxes - sales | 98,940 |
| State grant | 15,000 |
| Local grant | 1,198 |
| Fire insurance rebate | 11,871 |
| Other revenues | <u>9,640</u> |
| Change in Net Assets | 25,649 |
| Net Assets - Beginning of year | <u>209,794</u> |
| Net Assets - End of year | <u>\$235,443</u> |

See accompanying notes and independent accountant's report.

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2019

ASSETS

| | |
|--------------------------------|-------------------------------|
| Cash and cash equivalents | \$69,824 |
| Receivables - ad valorem taxes | <u>7,477</u> |
| TOTAL ASSETS | <u><u>\$77,301</u></u> |

LIABILITIES AND FUND EQUITY

| | |
|--|-------------------------------|
| Liabilities - accounts payable | \$1,273 |
| Fund Equity - fund balances - unassigned | <u>76,028</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u><u>\$77,301</u></u> |

See accompanying notes and independent accountant's report.

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Assets

For the Year Ended December 31, 2019

| | | |
|---|------------------|------------------|
| Total Fund Balances at December 31, 2019 - Governmental Funds (Statement C) | | <u>\$76,028</u> |
| Cost of capital assets at December 31, 2019 | \$845,978 | |
| Less: Accumulated depreciation as of December 31, 2019 | <u>(686,563)</u> | <u>159,415</u> |
| Net Assets at December 31, 2019 (Statement A) | | <u>\$235,443</u> |

See accompanying notes and independent accountant's report.

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 2019

| | |
|---|-----------------|
| REVENUES | |
| Sales taxes | \$98,940 |
| Intergovernmental revenues: | |
| State grant | 15,000 |
| Local grant | 1,198 |
| Fire insurance rebate | 11,871 |
| Other revenues | 9,640 |
| Total revenues | <u>136,649</u> |
| EXPENDITURES | |
| Public safety: | |
| Current: | |
| Operating services | 65,550 |
| Materials and supplies | 15,927 |
| Capital outlay | 47,555 |
| Total expenditures | <u>129,032</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | 7,617 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>68,411</u> |
| FUND BALANCE AT END OF YEAR | <u>\$76,028</u> |

See accompanying notes and independent accountant's report.

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2019

| | |
|---|------------------------|
| Total net change in fund balances - governmental funds (Statement D) | \$7,617 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Capital outlays are reported in governmental funds 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 capital outlays exceed depreciation for the period. | <u>18,032</u> |
| Change in net assets of governmental activities (Statement B) | <u><u>\$25,649</u></u> |

See accompanying notes and independent accountant's report.

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Oak Grove Fire District was created by the West Carroll Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492 on July 11, 1988. The district is governed by a five member board appointed by the police jury. Board members serve without compensation. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the West Carroll Parish Police Jury is the financial reporting entity for West Carroll Parish. The financial reporting 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 the 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 (GASB) Statement 4 established criteria for determining which component units should be considered part of the West Carroll Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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.

OAK GROVE FIRE DISTRICT

Oak Grove, Louisiana

Notes to the Financial Statements (Continued)

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

Because the police jury created the district, appoints the commissioners of the district, and has the ability to impose its will on the district, 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 the other governmental units that comprise the West Carroll Parish financial reporting entity.

B. 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 related 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 assets and general 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 the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district's current operations require the use of only a governmental fund type. The governmental fund type of the district is described as follows:

General Fund

The General Fund is the general operating fund of the district and is used to account for all financial activities not required to be accounted for in other funds. Primary funding is provided by a sales tax approved by voters of the district, state fire insurance rebates, and interest earnings on investments.

C. LONG-TERM DEBT

The Oak Grove Fire District has no long-term debt at the end of the year.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) 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

Sales taxes are recognized in the month received by the district's collection agent, the West Carroll Parish School Board.

Other intergovernmental revenues are recorded when the district is entitled to the funds.

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana
Notes to the Financial Statements (Continued)

Interest income on demand deposits is recorded when the interest has been earned and the amount is determinable.

Based on the above criteria, sales taxes and other intergovernmental revenues have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGET PRACTICES

A preliminary budget for the ensuing year is prepared by the board of commissioners in November and made available to the public. The budget is then adopted during the regular December meeting. The proposed budget for the General Fund is prepared on the modified accrual basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditure. Encumbrance accounting is not used by the board. Appropriations lapse at year-end and must be approved by the board of commissioners.

Formal budgetary integration is employed as a management control device during the year. Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all subsequent amendments.

F. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

OAK GROVE FIRE DISTRICT

Oak Grove, Louisiana

Notes to the Financial Statements (Continued)

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 other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2019, the district has cash and cash equivalents (book balances) totaling \$69,824.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) 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 or exceed 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the fire district that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the fire district's name.

Cash and cash equivalents (bank balances) of \$70,283 at December 31, 2019, are fully secured by federal deposit insurance.

H. SALES TAX

On April 1, 2006, voters of the parish approved the renewal of a one-half of one per cent sales tax to be dedicated and used to provide fire protection in the eight fire protection districts in the parish through the acquisition, construction, improvement, operation and maintenance of equipment, property and facilities to be used in providing such fire protection, including payment of the costs of training and obtaining water for fire protection purposes and the payment of debt service on debt obligations issued for such purposes. The tax was renewed for a period of ten years and will expire on January 1, 2027. By an agreement between the police jury and the West Carroll Parish School Board, the school board served as the collection agent for the sales tax.

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana
Notes to the Financial Statements (Continued)

I. 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 fire district maintains a commercial insurance policy covering property, employee liability, and public officials liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2019.

J. EQUITY CLASSIFICATIONS

In the fund financial statements, governmental fund equity is classified as fund balance. The Oak Grove Fire District adopted GASB Statement 54 for the year ended December 31, 2019. As such, fund balances of the governmental funds are classified as follows:

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the Indigent Defender Fund's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Indigent Defender Fund's highest level of decision-making authority.

Assigned - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana
Notes to the Financial Statements (Continued)

The General Fund has an unassigned fund balance of \$76,028. If applicable, the district would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

**K. TOTAL COLUMN ON THE
BALANCE SHEET**

The total column on the combined balance sheet is captioned Memorandum Only (overview) 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 U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. CHANGES IN CAPITAL ASSETS

The following presents the changes in capital assets for the year ended December 31, 2019:

| | |
|-------------------------------|-------------------------|
| Balance, January 1, 2019 | \$798,423 |
| Additions | 47,555 |
| Deletions | <u>NONE</u> |
| Balance, December 31, 2019 | 845,978 |
| Less accumulated depreciation | <u>(686,563)</u> |
| Net Capital Assets | <u><u>\$159,415</u></u> |

3. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 2019, nor is it aware of any unasserted claims.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

See accountant's compilation report.

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2019

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL (BUDGETARY BASIS) | VARIANCE FAVORABLE (UNFAVORABLE) |
|---|--------------------|-----------------|--------------------------------|--|
| REVENUES | | | | |
| Taxes - sales | \$97,000 | \$107,261 | \$98,940 | (\$8,321) |
| Intergovernmental revenues: | | | | |
| State grant | 7,558 | | 15,000 | 15,000 |
| Local grant | | | 1,198 | 1,198 |
| Fire insurance rebate | 11,500 | 11,800 | 11,871 | 71 |
| Other revenues | | 8,162 | 9,640 | 1,478 |
| Total revenues | <u>116,058</u> | <u>127,223</u> | <u>136,649</u> | <u>9,426</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Safety: | | | | |
| Operating services | 67,700 | 62,833 | 65,550 | (2,717) |
| Materials and supplies | 4,400 | 5,700 | 15,927 | (10,227) |
| Capital outlay | 20,500 | 56,580 | 47,555 | 9,025 |
| Total expenditures | <u>92,600</u> | <u>125,113</u> | <u>129,032</u> | <u>(3,919)</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | 23,458 | 2,110 | 7,617 | 5,507 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>NONE</u> | <u>NONE</u> | <u>68,411</u> | <u>68,411</u> |
| FUND BALANCE AT END OF YEAR | <u>\$23,458</u> | <u>\$2,110</u> | <u>\$76,028</u> | <u>\$73,918</u> |

See accompanying note to budgetary comparison schedule.

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the district and amended during the year, as necessary. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statement include the original adopted budget amounts for the year ended December 31, 2019. There was one budget amendment for the year.

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2019

MYRL SISTRUNK, FIRE CHIEF

| | <u>PURPOSE</u> | <u>AMOUNT</u> |
|--|-------------------------------------|---------------|
| | Volunteer firefighter reimbursement | <u>\$610</u> |