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**FIRE PROTECTION DISTRICT NO. 1
OF THE PARISH OF AVOYELLES
EFFIE, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1998**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

APR 14 1999

Release Date: _____

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

**FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOUELLES
EFFIE, LOUISIANA**

**GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998**

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INTRODUCTORY SECTION

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOYELLES
P. O. BOX 152
EFFIE, LOUISIANA 71331
318-253-9843

TRANSMITTAL LETTER
ANNUAL FINANCIAL STATEMENTS

Office of Legislative Auditor
Attention: Ms. Dorothy Milner
Post Office Box 94397
1600 North Third
Baton Rouge, Louisiana 70804-9397

Dear Ms. Milner:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Fire Protection District No. 1 of the Parish of Avoyelles as of and for the fiscal year ended December 31, 1998. The report includes all funds under the control and oversight of the Volunteer Fire Department. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,


Officer

Enclosure

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOYELLES

P. O. BOX 152
EFFIE, LOUISIANA 71331

ANNUAL SWORN FINANCIAL STATEMENTS AS OF
AND FOR THE YEAR ENDED DECEMBER 31, 1998
WITH APPROPRIATE SUPPLEMENTAL INFORMATION

Required by Louisiana Revised Statute 24:514
to be filed with the Legislative Auditor
within 90 days after the close of the fiscal year

AFFIDAVIT

Personally came and appeared before the undersigned authority, Randy Deloach,
Secretary-Treasurer, who, duly sworn, deposes and says that the financial
statements herewith given present fairly the financial position of the Fire
Protection District No. 1 of the Parish of Avoyelles as of December 31, 1998

and the results of operations for the year then ended, in accordance with the
basis of accounting described within the accompanying financial statements.

In addition, Randy Deloach, who, duly sworn, deposes and says that the Fire
Protection District No. 1 of the Parish of Avoyelles received \$50,000 or less
in revenues for the fiscal year ending December 31, 1998, is not required to
have an audit for the previously mentioned fiscal year end.

Randy Deloach
Signature

Sworn to and subscribed before me, this 6th day of April 1999

Alegra C. Deet
NOTARY PUBLIC

Officer Randy Deloach

Address P. O. Box 152

Effie, LA 71331

Telephone No. (318) 253-9843

FINANCIAL SECTION

ACCOUNTANTS' COMPILATION LETTER

Board of Directors
Fire Protection District No. 1
of the Parish of Avoyelles
Effie, Louisiana

We have compiled the annual sworn general purpose financial statements for the Fire Protection District No. 1 of the Parish of Avoyelles, as of and for the year ended December 31, 1998 as required by Louisiana Revised Statute 24:513. The sworn general purpose financial statements were compiled in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the compiled financial statements and accordingly, do not express an opinion or any other form of assurance on them.


DUCOTE & COMPANY
Marksville, Louisiana
March 17, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS

STATEMENT A

**FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOUELLES
EFFIE, LOUISIANA**

**ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
DECEMBER 31, 1998**

| | <u>GOVERNMENTAL FUND TYPE</u> | <u>ACCOUNT GROUP GENERAL FIXED ASSETS</u> | <u>TOTALS (MEMORANDUM ONLY)</u> |
|---|-----------------------------------|---|---|
| | <u>SPECIAL REVENUE</u> | | |
| <u>ASSETS AND OTHER DEBITS</u> | | | |
| Cash and Cash Equivalents | \$ 65,902 | \$ - | \$ 65,902 |
| Receivables | 48 | - | 48 |
| Property Plant & Equipment: | | | |
| Land | | 1,500 | 1,500 |
| Buildings | | 16,475 | 16,475 |
| Machinery & Equipment | - | 23,254 | 23,254 |
| Vehicles | - | 72,428 | 72,428 |
| TOTAL ASSETS AND OTHER DEBITS | <u>\$ 65,950</u> | <u>\$113,658</u> | <u>\$179,608</u> |
| <u>LIABILITIES & FUND EQUITY AND OTHER CREDITS</u> | | | |
| Liabilities | \$ - | \$ - | \$ - |
| TOTAL LIABILITIES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fund Equity and Other Credits: | | | |
| Investment in General | | | |
| Fixed Assets | - | 113,658 | 113,658 |
| Unreserved, Designated | 65,950 | - | 65,950 |
| TOTAL FUND EQUITY AND OTHER CREDITS | <u>65,950</u> | <u>113,658</u> | <u>179,608</u> |
| TOTAL LIABILITIES AND EQUITY AND OTHER CREDITS | <u>\$65,950</u> | <u>\$113,658</u> | <u>\$179,608</u> |

The accompanying accountants' compilation report and notes to the financial statements are an integral part of this financial statement.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOUELLES
EFFIE, LOUISIANA

ALL GOVERNMENTAL FUND TYPES - SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

| <u>REVENUES</u> | <u>Special Revenue</u> |
|--|----------------------------|
| Taxes | \$ 9,095 |
| Intergovernmental | 18,193 |
| Miscellaneous | <u>2,958</u> |
| Total Revenues | <u>30,246</u> |
| <u>EXPENDITURES</u> | |
| Current: | |
| Public Safety | 13,140 |
| Capital outlay | <u>47,977</u> |
| Total Expenditures | <u>61,117</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES | (30,871) |
| FUND BALANCE - BEGINNING | <u>96,821</u> |
| FUND BALANCE - ENDING | <u>\$65,950</u> |

The accompanying accountants' compilation report and notes to the
financial statements are an integral part of this financial statement.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOYELLES

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1997

INTRODUCTION

The Fire Protection District No. 1 of the Parish of Avoyelles, was incorporated on January 14, 1987, under the provision of the Louisiana Revised Statutes 12:201-269. The Corporation is organized on a non-profit basis and operates exclusively for the purpose of providing a service to its member in the protection of their lives and property. The Board of Directors consists of not less than seven, nor more than eleven members. The Board of Directors members are elected at the annual membership meeting held in December of each year. The activities governed by this Board are referred to and accounted for as the Effie-District One Volunteer Fire Department Fund.

On August 9, 1988, the Police Jury, of the Parish of Avoyelles State of Louisiana acting under the authority of Part I Chapter 7, Title 40 of the Louisiana Revised Statutes created "Fire Protection District No. 1 of the Parish of Avoyelles, State of Louisiana" as a public corporation and political subdivision. The State of Louisiana " as a public corporation and political subdivision. The governing authority of said Fire Protection District consists of five member Board of Commissioners appointed by the Avoyelles Parish Police Jury. The activities governed by this Board are referred to and accounted for as District 1 Tax Commission.

Board members of both Boards serve terms without being compensated. Activities under the direction of both of the Boards benefit the residents of the Fire Protection District No. 1 and are therefore included in the financial statements presentation because of their interdependence and common objectives in providing fire protection to the members of the Fire Protection District No. 1 of the Parish of Avoyelles.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Fire Protection District No. 1 of the Parish of Avoyelles have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Avoyelles Parish Police Jury is the financial reporting entity for Avoyelles 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 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.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOYELLES

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1997**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

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.

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 Fire Protection District No. 1 of the Parish of Avoyelles 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.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOUELLES
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1997

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

Fixed Assets-

The accounting and reporting treatment applied to the fixed assets are 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.

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.

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 district 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 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.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOUELLES
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1997

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

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 district 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.

NOTE 2. CASH AND CASH EQUIVALENTS

At December 31, 1998, the department has cash and cash equivalents (book balances) as follows:

Demand Deposits \$65,903

Total \$65,903

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 December 31, 1998 the district has \$65,903 (collected bank balances). These deposits are secured from risk by \$65,903 of federal deposit insurance.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, 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 department that the federal agent has failed to pay deposited funds upon demand.

NOTE 3. RECEIVABLES

The following is a summary of receivables at December 31, 1998:

NSF Receivable \$ 48

Total \$ 48

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

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOYELLES
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets for 1997 as follows:

| | Balance <u>1/1/97</u> | Additions | Deletions | Balance <u>12/31/97</u> |
|-------------------------|--------------------------|------------------|-------------|----------------------------|
| Land & Improvements | \$ 1,500 | \$ - | \$ - | \$ 1,500 |
| Building & Improvements | 16,475 | - | - | 16,475 |
| Machinery & Equipment | 20,128 | 3,127 | - | 23,255 |
| Vehicles | <u>27,578</u> | <u>44,850</u> | <u>-</u> | <u>72,428</u> |
| Totals | <u>\$65,681</u> | <u>\$ 47,977</u> | <u>\$ -</u> | <u>\$113,658</u> |

NOTE 5. TAX LEVY

Pursuant to voter approval by the residents of Fire Protection District No. 1 a resolution proposed by the Police Jury of the Parish of Avoyelles, State of Louisiana, became effective authorizing the levy of an annual parcel fee of twenty-four dollars (\$24) on each lot subdivided portion of ground or individual tract upon which is located either in whole or in part a residential or commercial structure, regardless of the structure's being occupied or unoccupied for a period of ten (10) years beginning with the year 1987 and ending with the year 1988, for the purpose of acquiring, construction, maintaining and operating fire protection facilities and equipment, including paying the cost of obtaining water for fire protection purposes and salaries of fireman, and all purposes incident thereto. Such resolution further authorizes the District to fund the proceeds of said parcel fees into bonds to be issued in such series from time to time to pay the costs of such capital improvements in the manner provided by law.

NOTE 6. LITIGATION AND CONTINGENCIES

At December 31, 1998, the Fire Protection District No. 1 of the Parish of Avoyelles was not involved in any litigation that would materially affect the financial statements.

SUPPLEMENTAL INFORMATION

*FINANCIAL STATEMENTS OF
INDIVIDUAL FUNDS AND ACCOUNT GROUPS*

SPECIAL REVENUES FUNDS

Effie 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 it's district.

Fire Protection District No. 1 Tax Commission - This fund is used to account for revenue generated from the levy and collection of the annual parcel fee of twenty-four dollars (\$24) assessed to residential and commercial structures located in the Fire Protection District No. 1 of Avoyelles Parish, Louisiana.

Statement C

**FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOYELLES
EFFIE, LOUISIANA**

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 1998**

| | Volunteer Fire Department <u>Fund</u> | Fire Department Tax <u>Fund</u> | <u>Totals</u> |
|--|--|--|------------------------|
| <u>ASSETS</u> | | | |
| Cash and Cash Equivalents | \$ 11,506 | \$54,396 | \$65,902 |
| Receivables | <u>-</u> | <u>48</u> | <u>48</u> |
| TOTAL ASSETS | <u>\$ 11,506</u> | <u>\$54,444</u> | <u>\$65,950</u> |
| <u>LIABILITIES AND FUND EQUITY</u> | | | |
| Liabilities | \$ - | \$ - | \$ - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Equity: | | | |
| Unreserved - Designated | <u>11,506</u> | <u>54,444</u> | <u>65,950</u> |
| Total Fund Equity | <u>11,506</u> | <u>54,444</u> | <u>65,950</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$11,506</u> | <u>\$54,444</u> | <u>\$65,950</u> |

**FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOYELLES
EFFIE, LOUISIANA**

**SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Year Ended December 31, 1998**

| | <u>Vol. Fire Department Fund</u> | <u>Fire Dept Tax Fund</u> | <u>Totals</u> |
|---|--|-----------------------------------|------------------|
| REVENUES | | | |
| <u>Taxes-</u> | | | |
| Ad Valorem | \$ 9,980 | \$ 9,095 | \$ 19,175 |
| <u>Intergovernmental-</u> | | | |
| 2% Fire Insurance Rebate | 6,614 | - | 6,614 |
| Appropriation from Police Jury | 1,599 | - | 1,599 |
| <u>Miscellaneous-</u> | | | |
| Interest Income | - | 2,958 | 2,958 |
| Total Revenue | <u>18,193</u> | <u>12,053</u> | <u>30,246</u> |
| EXPENDITURES | | | |
| <u>Public Safety-</u> | | | |
| Advertising | 735 | - | 735 |
| Repairs & Maintenance | 3,643 | - | 3,643 |
| Part & Supplies | 3,046 | - | 3,046 |
| Legal & Professional | 475 | - | 475 |
| Utilities | 882 | - | 882 |
| Office Expense | 133 | - | 133 |
| Fuel | 693 | - | 693 |
| Fireman Training | 100 | - | 100 |
| Insurance | 3,407 | - | 3,407 |
| Bank Charges | - | 1 | 1 |
| Capital Outlay | 3,127 | 44,850 | 47,977 |
| Dues | 25 | - | 25 |
| Total Expenditures | <u>16,266</u> | <u>44,851</u> | <u>61,117</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES | 1,927 | (32,798) | 30,871 |
| FUND BALANCE-BEGINNING | <u>9,579</u> | <u>87,242</u> | <u>96,821</u> |
| FUND BALANCE-ENDING | <u>\$11,506</u> | <u>\$ 54,444</u> | <u>\$ 65,950</u> |