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**FIRE PROTECTION DISTRICT NO. 1
OF THE PARISH OF AVOYELLES
EFFIE, LOUISIANA
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004**

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

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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.

Release Date 7-20-05

**FIRE PROTECTION DISTRICT NO. 1
OF THE PARISH OF AVOYELLES
EFFIE, LOUISIANA
As of and for the Year Ended December 31, 2004**

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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

We have compiled the accompanying balance sheet of the Fire Protection District No. 1 of the Parish of Avoyelles as of December 31, 2004 and the related statement of revenues, expenditures, and changes in fund balance, for the year then ended, 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 accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Fire Protection District No. 1 of the Parish of Avoyelles did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2004. The effects of this departure from generally accepted accounting principles has not been determined.

Ducote & Company

DUCOTE & COMPANY
Certified Public Accountants

Marksville, Louisiana

June 27, 2005

**FIRE PROTECTION DISTRICT NO. 1
OF THE PARISH OF AVOYELLES
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2004**

	Governmental <u>Fund Type</u> Special <u>Revenue</u>	<u>Account Groups</u>		Totals (Memorandum Only)
		General Long-Term Obligations	General Fixed Assets	
<u>ASSETS AND OTHER DEBITS</u>				
Cash and cash equivalents	\$117,253	\$0	\$0	\$117,253
Receivables	28,335	0	0	28,335
Property plant and equipment:				
Buildings	0	0	24,839	24,839
Land			1,500	1,500
Machinery and equipment	0	0	354,639	354,639
Amount to be provided for retirement of Long-term obligations	<u>0</u>	<u>28,830</u>	<u>0</u>	<u>28,830</u>
TOTAL ASSETS AND OTHER DEBITS	<u>\$145,588</u>	<u>\$28,830</u>	<u>\$380,978</u>	<u>\$555,398</u>
<u>LIABILITIES, FUND EQUITY AND OTHER CREDITS</u>				
Liabilities				
Accounts Payable	\$273	\$0	\$0	\$273
Loans Payable	<u>0</u>	<u>28,830</u>	<u>0</u>	<u>29,102</u>
TOTAL LIABILITIES	<u>273</u>	<u>28,830</u>	<u>0</u>	<u>29,102</u>
<u>FUND EQUITY AND OTHER CREDITS:</u>				
Investment in general fixed assets	0	0	380,978	380,978
Unreserved-undesignated	10,764	0	0	10,764
Unreserved-designated	<u>134,552</u>	<u>0</u>	<u>0</u>	<u>134,552</u>
TOTAL FUND EQUITY AND OTHER CREDITS	<u>145,316</u>	<u>0</u>	<u>380,978</u>	<u>526,294</u>
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	<u>\$145,588</u>	<u>\$28,830</u>	<u>\$380,978</u>	<u>\$555,398</u>

The accompanying notes are an integral part of this financial statement.

**FIRE PROTECTION DISTRICT NO. 1
OF THE PARISH OF AVOYELLES
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES-SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2004**

	<u>Special Revenue Funds</u>
<u>REVENUES</u>	
Taxes	\$35,877
Grant Revenue	58,976
Intergovernmental	10,740
Donations	647
Miscellaneous	<u>2,301</u>
TOTAL REVENUES	<u>108,540</u>
<u>EXPENDITURES</u>	
Current:	
Public safety	20,396
Capital outlay	96,648
Debt service	<u>10,661</u>
TOTAL EXPENDITURES	<u>127,705</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(19,165)
FUND BALANCE AT BEGINNING OF YEAR	<u>164,481</u>
FUND BALANCE AT END OF YEAR	<u>\$145,316</u>

The accompanying notes are an integral part of this financial statement.

**FIRE PROTECTION DISTRICT NO. 1
OF THE PARISH OF AVOUELLES
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES-SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2004**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>REVENUES</u>			
Taxes	33,000	\$35,877	\$2,877
Grant Revenue	56,500	58,976	2,476
<i>Intergovernmental</i>	10,000	10,740	740
Donations	0	647	647
Miscellaneous	2,000	2,301	301
TOTAL REVENUES	<u>101,500</u>	<u>108,540</u>	<u>7,040</u>
<u>EXPENDITURES</u>			
Current:			
Public safety	23,000	20,396	2,604
Capital outlay	78,500	96,648	(18,148)
Debt service	10,000	10,661	(661)
TOTAL EXPENDITURES	<u>111,500</u>	<u>127,705</u>	<u>(16,205)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,000)	(19,165)	(9,165)
FUND BALANCE AT BEGINNING OF YEAR	<u>164,481</u>	<u>164,481</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$154,481</u>	<u>\$145,316</u>	<u>\$(9,165)</u>

The accompanying notes are an integral part of this financial statement.

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

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004**

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, or more than eleven members. The members of the Board of Directors 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 governing authority of said Fire Protection District consists of a 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, with exception that as referred to in the compilation report, the district 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

C. FUND ACCOUNTING

The district uses funds and account groups to report on its financial positions 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 governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the district are classified as governmental funds. Governmental funds account for the district's general activities, including the 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 (include those funds included in the accompanying statements):

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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

F. BUDGET PRACTICES

The district, although required to formally adopt a budget, is exempt from public participation and amendment requirements.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 2. CASH AND CASH EQUIVALENTS

At December 31, 2004, the department had cash and cash equivalents (book balances) as follows:

Demand Deposits	<u>\$117,253</u>
Total	<u>\$117,253</u>

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, 2004, the district had \$122,848 (collected bank balances). These deposits were secured from risk by \$116,632 of federal deposit insurance. The remaining balance of \$6,216 was not secured by pledged securities as of December 31, 2004.

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, 2004:

Taxes Receivable	<u>\$ 28,335</u>
Total	<u>\$ 28,335</u>

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

NOTE 4. LITIGATION AND CONTINGENCIES

At December 31, 2004, the Fire Protection District No. 1 of the Parish of Avoyelles was not involved in any litigation that would materially affect the financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets for 2004 as follows:

	<u>Balance</u> <u>12/31/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/04</u>
Land & Improvements	\$ 1,500	\$ -	\$ -	\$ 1,500
Building & Improvements	24,839	-	-	24,839
Machinery & Equipment	156,130	17,025	-	173,155
Vehicles	<u>101,862</u>	<u>79,622</u>	<u>-</u>	<u>181,484</u>
Totals	<u>\$284,331</u>	<u>\$ 96,647</u>	<u>\$ -</u>	<u>\$380,978</u>

NOTE 6. CHANGES IN GENERAL LONG-TERM DEBT

On July 24, 2000, the Fire Protection District No. 1 entered into a loan agreement for \$61,255 at a rate of interest of 5.4%. Balance owed as to December 31, 2004 was \$28,830. Annual payment amount is \$10,661. The annual requirements including interest of \$3,153 are as follows:

	<u>Payment</u>
2005	10,661
2006	10,661
2007	<u>10,661</u>
Total	<u>31,983</u>

NOTE 7. 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 thirty-five dollars (\$35) 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 renewed thereafter, 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.

SUPPLEMENTAL INFORMATION

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 its' 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 thirty-five dollars (\$35) assessed to residential and commercial structures located in the Fire Protection District No. 1 of Avoyelles Parish, Louisiana.

EFFIE VOLUNTEER FIRE DEPARTMENT, INC.
EFFIE, LOUISIANA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2004

	<u>Volunteer Fire Department Fund</u>	<u>Fire Department Tax Fund</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$11,036	\$106,217	\$117,253
Receivables	<u>0</u>	<u>28,335</u>	<u>28,335</u>
TOTAL ASSETS	<u>\$11,036</u>	<u>\$134,552</u>	<u>\$145,588</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Accounts Payable	<u>\$273</u>	<u>\$0</u>	<u>\$273</u>
TOTAL LIABILITIES	<u>273</u>	<u>0</u>	<u>273</u>
Fund Equity:			
Unreserved-undesignated	10,764	0	10,764
Unreserved-designated	<u>0</u>	<u>134,552</u>	<u>134,552</u>
TOTAL FUND EQUITY	<u>10,764</u>	<u>134,552</u>	<u>145,316</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$11,036</u>	<u>\$134,552</u>	<u>\$145,588</u>

**FIRE PROTECTION DISTRICT NO. 1
OF THE PARISH OF AVOUELLES
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2004**

	<u>Volunteer Fire Department Fund</u>	<u>Fire Department Tax Fund</u>	<u>Totals</u>
<u>REVENUES</u>			
Taxes:			
Ad Valorem	\$0	\$35,877	\$35,877
Intergovernmental:			
2% Fire insurance rebate	0	9,540	9,540
Appropriation from police jury	0	1,200	1,200
Grant Revenue	58,976	0	58,976
Miscellaneous:			
Miscellaneous	0	0	0
Donations	647	0	647
Interest income	<u>0</u>	<u>2,302</u>	<u>2,302</u>
TOTAL REVENUES	<u>59,623</u>	<u>48,917</u>	<u>108,540</u>
<u>EXPENDITURES</u>			
Public safety:			
Repairs and maintenance	8,381	0	8,381
Parts and supplies	3,163	0	3,163
Insurance	3,394	0	3,394
Legal and professional	1,500	0	1,500
Dues & Meetings	233	0	233
Fuel expense	1,910	0	1,910
Utilities	1,244	0	1,244
Continuing education/CPR & EMT classes	0	0	0
Miscellaneous	436	0	436
Office expense	126	9	135
Capital outlay	96,648	0	96,648
Debt service	<u>10,661</u>	<u>0</u>	<u>10,661</u>
TOTAL EXPENDITURES	<u>127,696</u>	<u>9</u>	<u>127,705</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(68,073)</u>	<u>48,909</u>	<u>(19,164)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	61,661	0	61,661
Transfers Out	<u>0</u>	<u>(61,661)</u>	<u>(61,661)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>61,661</u>	<u>(61,661)</u>	<u>0</u>

(Continued)

**FIRE PROTECTION DISTRICT NO 1
OF THE PARISH OF AVOYELLES
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2004**

	<u>Volunteer Fire Department Fund</u>	<u>Fire Department Tax Fund</u>	<u>Totals</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,412)</u>	<u>(12,752)</u>	<u>(19,164)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>17,176</u>	<u>147,304</u>	<u>164,480</u>
FUND BALANCE AT END OF YEAR	<u>\$10,764</u>	<u>\$134,552</u>	<u>\$145,316</u>

(Concluded)