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HODGE PARISH FIRE DISTRICT #1
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or to be aud, 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 MAR 15 2000

WILLIAM D. EDWARDS, CPA

A PROFESSIONAL CORPORATION
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**HODGE PARISH FIRE DISTRICT #1
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 1999**

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WILLIAM D. EDWARDS

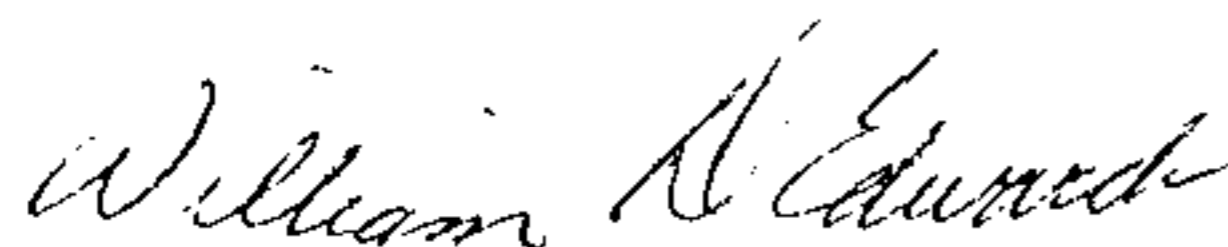
Certified Public Accountant
A Professional Accounting Corporation
Member: AICPA / Society of LCPA'S

To the Board Members
Hodge Parish Fire District #1
Quitman, Louisiana

I have compiled the accompanying general purpose financial statements of the Hodge Parish Fire District #1 as of August 31, 1999, 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 of Hodge Parish Fire District #1. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report dated February 23, 2000, on the results of my agreed-upon procedures.



William D. Edwards, CPA
February 23, 2000

Hodge Parish Fire District #1
 Combined Balance Sheet - All Fund Types
 and Account Groups
 As of August 31, 1999

	Governmental	Account Groups		(Memo) Totals
	Fund Type	General	General	
	General	Fixed	Long-Term	
	Fund	Assets	Debt	
ASSETS				
Cash and equivalents	\$9,737			\$9,737
Accounts receivable	5,166			5,166
Property, plant, and equipment		\$106,825		106,825
Amount available for retirement of long-term debt			\$40,594	40,594
TOTAL ASSETS	<u>\$14,903</u>	<u>\$106,825</u>	<u>\$40,594</u>	<u>\$162,322</u>
Liabilities and Fund Equity				
Liabilities:				
Notes payable - long-term portion			\$40,594	\$40,594
Fund Equity:				
Investment in general fixed assets		\$106,825		106,825
Fund balance - unreserved - undesignated	\$14,903			14,903
Total fund equity	<u>14,903</u>	<u>106,825</u>	<u>0</u>	<u>121,728</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$14,903</u>	<u>\$106,825</u>	<u>\$40,594</u>	<u>\$162,322</u>

See accompanying accountant's compilation report.

HODGE PARISH FIRE DISTRICT #1
Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the year ended August 31, 1999

	General Fund	Debt Service Fund	General Fixed Assets Account Group	(Memo) Totals
REVENUES				
Fire fees	\$47,817			\$47,817
Intergovernmental	7,931			7,931
Total Revenues	<u>55,748</u>	<u>0</u>	<u>0</u>	<u>55,748</u>
EXPENDITURES				
Public safety - Fire	33,138			33,138
Debt Service		\$19,700		19,700
Capital outlay	1,927			1,927
Total Expenditures	<u>35,065</u>	<u>19,700</u>	<u>0</u>	<u>54,765</u>
EXCESS OF REVENUE OVER EXPENDITURES	20,683	(19,700)	0	983
OTHER FINANCING SOURCES (Uses)				
Transfers in		19,700	\$1,927	21,627
Transfers out	(21,627)			(21,627)
Total Other Financing Sources (Uses)	<u>(21,627)</u>	<u>19,700</u>	<u>1,927</u>	<u>0</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(944)	0	1,927	983
FUND BALANCE, BEGINNING	<u>15,847</u>	<u>0</u>	<u>104,898</u>	<u>120,745</u>
FUND BALANCE, ENDING	<u>\$14,903</u>	<u>\$0</u>	<u>\$106,825</u>	<u>\$121,728</u>

See accompanying accountant's compilation report.

HODGE PARISH FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Hodge Parish Fire District #1 ("District") was organized in April, 1996 as a political subdivision of Jackson Parish to provide fire protection and service to the residents of the District.

The accounting and reporting practices of the District conform to generally accepted accounting principles. The Governmental Accounting Standards Board prescribes general accepted accounting principles for governments. The District's accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guides set forth in the "Louisiana Municipal Audit and Accounting Guide", and to the industry audit guide, Audits of State and Local Governmental Units.

A. FINANCIAL REPORTING ENTITY

This report includes all funds and account groups which are controlled by the District. Control by or dependence on the District was determined on the basis of taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibilities.

B. FUND ACCOUNTING

The accounts of the District are organized on the 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. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are grouped, in the financial statements in the report, into one generic fund type and two broad account groups as follows:

Governmental Fund Type

General Fund - The General Fund is the general operating fund of the District. Its accounts for all financial resources except those required to be accounted for in another fund.

C. FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurements 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.

Account groups establish accounting control and accountability for the District's general fixed assets and the unmatured principal on its general long-term debt. These account groups are not funds - they do not reflect available financial resources and related liabilities - but are accounting records of general fixed assets and general long-term debt, respectively, and certain associated information.

HODGE PARISH FIRE DISTRICT #1
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED August 31, 1999

Account groups establish accounting control and accountability for the District's general fixed assets and the unmatured principal on its general long-term debt. These account groups are not funds - they do not reflect available financial resources and related liabilities - but are accounting records of general fixed assets and general long-term debt, respectively, and certain associated information.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. Public domain ("infrastructure") general fixed assets consisting of certain improvements, other than buildings, including: roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized with other general fixed assets. Depreciation has not been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

D. BASIS OF ACCOUNTING

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 related 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. Their revenues are recognized when they become measurable and available as net current assets. Other intergovernmental revenues are recognized when in the hands of the collecting governments.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt is recognized when due.

E. BUDGETS AND BUDGETARY ACCOUNTING

The District did not adopt a budget for the fiscal year ended August 31, 1999.

F. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted

HODGE PARISH FIRE DISTRICT #1
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED August 31, 1999

accounting principles. Neither is such date comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

The District's cash accounts at August 31, 1999, are categorized below to give an indication of the level of risk assumed by the District at year end. Category 1 includes cash that is insured. Category 2 includes uninsured and unregistered cash and investments, with securities held by the counter party's trust department or agent in the District's name. Category 3 includes uninsured and unregistered cash and investments, with securities held by the counter party or by its trust department or agent but not in the District's name. In accordance with GASB 3, this category includes certificate of deposits or money market accounts that are collateralized with securities held by the pledging financial institutions or by its trust department or agent but not in the District's name, although balances so collateralized meet the requirements of state law.

	Category			Bank
	1	2	3	Balance
Cash in bank	\$9,737	\$0	\$0	\$9,737

3. FIXED ASSETS

A summary of changes to fixed assets for the year ended August 31, 1999 is as follows:

	Balance 9/1/98	Additions	Deletions	Balance 8/31/99
Building and lot	\$15,206			\$15,206
Vehicles	69,800			69,800
Equipment	19,892	1,927		21,819
Total	\$104,898	\$1,927	\$0	\$106,825

4. LONG-TERM DEBT

The following is a summary of the District's long-term debt transactions for the year ended August 31, 1999:

Debt Outstanding at August 31, 1998	\$74,766
Additions	0
Retirements	(14,472)
Debt Outstanding at August 31, 1999	\$60,294

HODGE PARISH FIRE DISTRICT #1
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED August 31, 1999

The annual requirements to reduce the debt outstanding as of August 31, 1999 including interest payments of \$13,580 are as follows:

Year ending August 31:	
2000	\$19,700
2001	19,700
2002	19,700
2003	<u>14,774</u>
Total	<u><u>\$73,874</u></u>

5. COMMITMENTS AND CONTINGENT LIABILITIES

The Hodge Parish Fire District #1 does not participate in any pension programs for its employees.

6. PER DIEM PAYMENTS

There are no paid employees. Volunteers form the outside services used. Volunteer firemen are paid \$150 per year, while the Chief is paid \$300 per month for his volunteering activities, and the fire district clerk is paid \$100 per month for her volunteering activities of sending and receiving bills.

6. YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

Hodge Parish Fire District #1 uses an outside accountant to post its receipts and disbursements on a monthly basis. For the year ended August 31, 1999, the District mailed monthly bills for fire fees and used Wordperferct to manually print each bill. The outside accountant has assured me that his computers are year 2000 compliant.

WILLIAM D. EDWARDS

Certified Public Accountant
A Professional Accounting Corporation
Member: AICPA / Society of LCPA'S

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of Hodge Parish Fire District #1

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Hodge Parish Fire District #1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluation management's assertions about Hodge Parish Fire District #1's compliance with certain laws and regulations during the year ended August 31, 1999 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$15,000, and no expenditures were made for public works exceeding \$100,000. I examined each cash disbursement record which indicated no purchases which would require public bidding requirements.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interest of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

There are no paid employees. Volunteers form the outside services used. Volunteer firemen are paid \$150 per year, while the Chief is paid \$300 per month for his volunteering activities, and the fire district clerk is paid \$100 per month for her volunteering activities of sending and receiving bills.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management did not adopt a budget for the year ended August 31, 1999.

6. Trace the budget adoption and amendments to the minute book.

A reading of the minutes showed no budget being approved by the Board members

7. Compare the revenues and expenditures of the budget to actual revenues and expenditures to determine if actual revenue or expenditures exceed budgeted amounts by more than 5%.

As noted in 5 above, a budget was not adopted.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for one of the six selected disbursements and found that three of the six checks were for proper amount and payee.

b) determine if payments were properly coded to the correct fund and general ledger account; and

All six payments were properly coded to the correct fund or general ledger account.

c) determine whether payments received approval from proper authorities.

A reading of the minutes indicated approval from the board of aldermen for all monthly bills for the minutes that I received.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Hodge Parish Fire District #1 is only required to post a notice of each meeting and the accompanying agenda on the door of the District hall building. Although management has asserted that such documents were properly posted for most of the meetings, I could find no evidence supporting such assertion.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of bank deposit slips for the accounts provided for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the district for the year indicated no approval for the payments noted. I also inspected disbursement records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Hodge Parish Fire District #1, and the Legislative Auditor, State of Louisiana and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



William D. Edwards, CPA
February 23, 2000

HODGE PARISH FIRE DISTRICT #1
SUMMARY OF PRIOR YEAR FINDINGS
For the Year Ended August 31, 1999

A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

None

B. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

None

C. MANAGEMENT LETTER

None

HODGE FIRE PROTECTION DISTRICT
P.O. BOX 352
HODGE, LA 71247

CORRECTIVE ACTION PLAN
For the Year Ended August 31, 1999

Hodge Parish Fire District #1 hereby submits the following corrective action plan regarding the findings in the attestation for the year ending August 31, 1999:

99-1. For the year ended August 31, 1999, the District did not adopt a budget.

Recommendation: I recommend the District formally approve an annual budget and reflect that approval in the minutes of the board meetings.

Conclusion: The District will discuss adopting a budget at the next meeting.

99-2. The District did not keep adequate records for all disbursements.

Recommendation: I recommend the District retain all records of receipts and disbursements.

Conclusion: The District will establish the proper procedures for retaining records at the next meeting.

99-3. The District did not provide a schedule of accounts payable nor the information to prepare a list of payables.

Recommendation: I recommend the District maintain records for payables.

Conclusion: The District will establish the proper procedures for maintaining records at the next meeting.

LOUISIANA ATTESTATION QUESTIONNAIRE

February 23, 2000 Date

William D. Edwards, CPA APAC
105 A Reynolds Drive
Ruston, LA 71270
(Auditors)

In connection with your compilation of our financial statements as of August 31, 1999 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of February 23, 2000 (date).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39-43.

Yes No

LOUISIANA ATTESTATION QUESTIONNAIRE

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:38.

Yes No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

LOUISIANA ATTESTATION QUESTIONNAIRE

Secretary _____ Date

Treasurer _____ Date

Billy Roberson _____
President *2-26-2000* Date

Note-Quasi-public entities should delete reference to the above statutes, unless required to follow such laws by contract with their public funding agencies. The quasi-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.