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**EDEN - FELLOWSHIP VOLUNTEER FIRE
DEPARTMENT
LASALLE PARISH, LOUISIANA
COMPONENT UNIT
FINANCIAL STATEMENTS
& GRAPHS**

December 31, 2003

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 8-4-04

EDEN - FELLOWSHIP VOLUNTEER FIRE DEPARTMENT
JENA, LA. 71371



*** Eden - Fellowship Volunteer Fire Department**

Eden - Fellowship Volunteer Fire Department was created by the LaSalle Parish Police Jury, as authorized by Louisiana Revised Statute 33:4562. The Fire Department is administered by a board of five commissioners who are appointed by the LaSalle Parish Police Jury. The Department owns and operates fire fighting facilities and engages in activities designed to provide fire protection to the Eden and Fellowship Communities.

**EDEN - FELLOWSHIP VOLUNTEER FIRE DEPARTMENT
LASALLE PARISH POLICE JURY
JENA, LA.**

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ACCOUNTANT'S COMPILATION REPORT ON COMPONENT UNIT FINANCIAL STATEMENTS

Board of Commissioners
Eden - Fellowship Volunteer Fire Department
LaSalle Parish Police Jury
Jena, Louisiana 71342

I have compiled the component unit financial statements and graphs of the Eden - Fellowship Volunteer Fire Department, as of and for the year ended December 31, 2003, as listed in the table of contents, in accordance with Statements of 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. 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 Government Audit Guide and the provisions of state law, I have issued a report, dated May 26, 2004, on the results of our agreed-upon procedures.

May 26, 2004
Jena, Louisiana

John R. Vercher

JOHN R. VERCHER PC

Certified Public Accountant

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of
LaSalle Parish Waterworks
Department No. 1
LaSalle Parish Police Jury
Jena, Louisiana 71342

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Eden - Fellowship Volunteer Fire Department and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Eden - Fellowship Volunteer Fire Department's compliance with certain laws and regulations during the year ended December 31, 2003 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).
 - I found one check in the amount of \$15,687 for equipment. I examined bids taken for this purchase.
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 interests 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.
 - This is a volunteer fire department, therefore, there are no employees.
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.
 - The Department has no employees.

Budgeting

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

- The Department prepared a budget.

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

- The budget was approved in the minutes.

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

- The Department exceeded the budget by \$15,698 or 43.9%.

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 each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

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

- All of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

- Inspection of documentation supporting each of the six selected disbursements indicated approvals from the clerk and the chairman of the Board of Commissioners.

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).

- The Department meets on the second Tuesday of each month. Notices of meetings are published in the official journal.

Debt

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

- I inspected copies of all bank deposit slips 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, advance, or gifts.

- The Department has no employees and my reading of the minutes found no approval of payments that 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 did 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 Eden - Fellowship Volunteer Fire Department 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.

John R. Vercher

Jena, Louisiana

May 26, 2004

EDEN - FELLOWSHIP VOLUNTEER FIRE DEPARTMENT
 LASALLE PARISH POLICE JURY
 GENERAL FUND
 BALANCE SHEET
 DECEMBER 31, 2003

	General Fund	General Fixed Assets	Total
<u>ASSETS</u>			
Cash in Bank	\$ 63,573	\$ -0-	\$ 63,573
Receivables	27,621	-0-	27,621
Fixed Assets	-0-	83,328	83,328
TOTAL ASSETS	\$ 91,194	\$ 83,328	\$ 174,522
<u>LIABILITIES AND FUND BALANCE</u>			
Accounts Payable	\$ 816	\$ -0-	\$ 816
Pension Payable	916		916
Investments in General Fixed Assets	-0-	83,328	83,328
Fund Balance	89,462	-0-	89,462
TOTAL LIABILITIES AND FUND BALANCE	\$ 91,194	\$ 83,328	\$ 174,522

See Accountant's Compilation Report

**EDEN - FELLOWSHIP VOLUNTEER FIRE DEPARTMENT
 FIRE DEPARTMENT (COMPONENT UNIT) GENERAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Ad Valorem Taxes	\$ 22,300	\$ 27,304	\$ 5,004
Revenue Sharing	-0-	3,277	3,227
Other	-0-	6,689	6,689
FEMA Grant	13,500	26,492	12,992
Police Jury	-0-	4,301	4,301
Total Revenues	<u>\$ 35,800</u>	<u>\$ 68,013</u>	<u>\$ 32,213</u>
Expenditures:			
Truck Expense	\$ 7,000	\$ 915	\$ 6,085
Office Expense	3,000	725	2,275
Professional Fees	-0-	293	(293)
Miscellaneous Expense	-0-	594	(594)
Utilities	2,300	2,357	(57)
Advertisement	-0-	1,204	(1,204)
Supplies	-0-	1,864	(1,864)
Insurance	6,000	5,670	330
Pension Expense	-0-	916	(916)
Equipment	4,000	36,960	(32,960)
FEMA Grant	13,500	-0-	13,500
Total Expenditures	<u>\$ 35,800</u>	<u>\$ 51,498</u>	<u>\$ (15,698)</u>
Excess of Revenues Over (Under) Expenditures	\$ -0-	\$ 16,515	\$ 16,515
Fund Balance – January 1	-0-	72,947	72,947
Fund Balance – December 31	<u>\$ -0-</u>	<u>\$ 89,462</u>	<u>\$ 89,462</u>

“See Accountant’s Compilation Report”

The notes to the financial statements are an integral part of this statement.

**EDEN - FELLOWSHIP VOLUNTEER FIRE DEPARTMENT
LASALLE PARISH POLICE JURY**

Notes to Financial Statements

INTRODUCTION

The Eden - Fellowship Volunteer Fire Department operates a fire station with two trucks to respond to fires in the communities of Eden and Fellowship.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Eden - Fellowship Volunteer Fire Department have been prepared in accordance with generally accepted accounting principals. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity.

The Department applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Component Units

The Eden - Fellowship Volunteer Fire Department's board is composed of 5 boardmembers appointed by the LaSalle Parish Police Jury. The department is thus considered a component unit of the LaSalle Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the Eden - Fellowship Volunteer Fire Department and do not present information on the LaSalle Parish Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise that governmental reporting entity. The boardmembers and their salaries are as follows:

<u>Name</u>	<u>Salary</u>
Clarence Bruce	\$ -0-
Samuel Gulde	-0-
Ronald Windham	-0-
Bobby Day	-0-
Polly Taylor	-0-

EDEN - FELLOWSHIP VOLUNTEER FIRE DEPARTMENT

Jena, Louisiana

Notes to the Financial Statements (Continued)

C. FUND ACCOUNTING

The Volunteer Fire Department uses funds 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 relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds of the Volunteer Fire Department are classified as governmental (General Fund). This funds is described as follows:

GENERAL FUND

The General Fund is the principle and only fund of the Volunteer Fire Department and accounts for the operations of the Fire Department. The Ad Valorem tax collected is accounted for in this fund. General operating expenditures are paid from this fund.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the account and reported in the financial statements. Basis of accounting related to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are accounted for using a flow of current financial resources measurement focus. The accompanying general purpose financial statements have been prepared on the modified accrual basis of accounting. The governmental funds use the following practices in recording revenues and expenditures;

REVENUES

Ad Valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed and the taxes are assessed on a calendar year basis, becoming due on November 15 of each year and delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year. All other revenues are recorded when available. Available means collectible within the current period or soon enough thereafter to pay current liabilities.

EXPENDITURES

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

E. BUDGET PRACTICES

The Eden - Fellowship Volunteer Fire Department prepares a budget for each year. All appropriations lapse at year-end.

EDEN - FELLOWSHIP VOLUNTEER FIRE DEPARTMENT
Jena, Louisiana

Notes to the Financial Statements (Continued)

F. ENCUMBRANCES

The Fire Department does not account for encumbrances.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits. Under state law, the Volunteer Fire 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 Volunteer Fire Department 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. Cash and investments are stated at cost.

H. INVENTORY

Inventories of materials and supplies are considered immaterial and are reported as expenditures when paid.

I. FIXED ASSETS

The LaSalle Parish Police Jury owns fire station, two fire trucks and various other equipment. The Eden - Fellowship Volunteer Fire Department operates the facility to provide fire protection to the communities of Little Creek and Searcy. The Eden - Fellowship Volunteer Fire Department owns the equipment listed below:

	Balance 12/31/2002	Additions	Deletions	Balance 12/31/2003
Various Equipment	\$ 41,034	\$ 36,960	\$ -0-	\$ 77,994
Building	2,274	-0-	-0-	2,274
Pagers	1,050	-0-	-0-	1,050
Truck	2,010	-0-	-0-	2,010
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Totals	\$ 46,368	\$ 36,960	\$ -0-	\$ 83,328

J. COMPENSATED ABSENCES

The Volunteer Fire Department has no employees therefore, they have no policy relating to vacation and sick leave.

EDEN - FELLOWSHIP VOLUNTEER FIRE DEPARTMENT
Jena, Louisiana

Notes to the Financial Statements (Continued)

2. CASH AND CASH EQUIVALENTS

Deposits

It is the Department's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The District's deposits are categorized to give an indication of the level of risk assumed by the District at year-end. The categories are describes as follows:

- *Category 1* – Insured or collateralized with securities held by the Department or by its agent in the Department's name.
- *Category 2* – Collateralized with securities held by the pledging financial institution's trust department or agent in the Department's name.
- *Category 3* – Uncollateralized.
-

	Bank Balance 12/31/2003
Southern Heritage Bank	\$ 63,563
Secured as Follows: FDIC (<i>Category – 1</i>)	\$ 63,563

3. RECEIVABLE – AD VALOREM TAXES

Ad Valorem Tax Receivable	\$ 26,635
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Allowance for doubtful accounts if any, is considered immaterial, therefore it is not presented.

4. AD VALOREM TAXES

Ad Valorem Taxes are levied on July 20, become due when billed by the Parish Tax Collector and become delinquent January 1, of the following year.

Property Tax Calendar	
Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On or About October 15
Total Taxes are Due	December 311
Penalties and Interest are Added	January 1
Lien Date	January1

For the year ended December 31, 2003, taxes of 10.03 mills were levied on property with assessed valuations totaling \$2,753,860.

EDEN - FELLOWSHIP VOLUNTEER FIRE DEPARTMENT
Jena, Louisiana

Notes to the Financial Statements (Continued)

5. RELATED-PARTY TRANSACTIONS

The Eden - Fellowship Volunteer Fire Department had no related party transactions as of December 31, 2003.

6. LITIGATIONS AND CLAIMS

There are no claims or litigation against the Eden - Fellowship Volunteer Fire Department as of December 31, 2003.

7. SUBSEQUENT EVENTS

The Eden - Fellowship Volunteer Fire Department has no reportable subsequent events.

8. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 and expenses during the reporting period. Actual results could differ from those estimates.

9. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The Fire Department overspent its budget by \$15,698 or 43.9% during the year because of unexpected expenditures due to a FEMA grant.

JOHN R. VERCHER PC

Certified Public Accountant

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MANAGEMENT LETTER COMMENTS

During the course of my compilation, I observed conditions and circumstances that may be improved. Below are findings noted for improvement, my recommendation for improvement and the Department's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

2003-M-1) EXPENDITURES IN EXCESS OF APPROPRIATIONS

Finding: The Eden-Fellowship Volunteer Fire Department overspent its budget by \$15,698 or 43.9%. Expenditures in excess of 5% of the budget violates the local government budget law. The Department's budget did not take in account the increase in expenditures from a FEMA grant. The State Budget Act requires that all governmental units prepare budgets for its governmental funds.

Recommendation: When revenues or expenditures fail to meet budgeted revenue or expenditures by more than 5%, the budget should be amended

Corrective Action: The Department will begin amending its budget when revenues or expenditures fail to meet budgeted revenues or expenditures by more than 5%.

EDEN - FELLOWSHIP VOLUNTEER FIRE DEPARTMENT
Jena, Louisiana

MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Eden - Fellowship Volunteer Fire Department, Parish of LaSalle, Louisiana has provided the following action summaries relating to findings brought to their attention as a result of their compilation for the year ended December 31, 2002.

2002-M-1) Budgets - (Resolved)

Finding: The Eden - Fellowship Volunteer Fire Department did not prepare a budget for the year ended December 31, 2002. The State Budget Act requires that all governmental units prepare budgets for its governmental funds.

Department's Corrective Action: The Department prepared a budget for its general fund before the beginning of the year and was documented in the minutes the board's approval of said budget.

Graphs

EDEN-FELLOWSHIP VOLUNTEER FIRE DEPT.

STATEMENT OF EXPENDITURES 12/31/2003

