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GOULD VOLUNTEER FIRE COMPANY NUMBER 2
FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 1999

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 8-16-00

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FINANCIAL STATEMENTS

CAMNETAR & CO., CPAs
A Professional Accounting Corporation
94 Westbank Expressway, Suite B, Gretna, LA 70053
(504) 362-2544 FAX (504) 362-2663

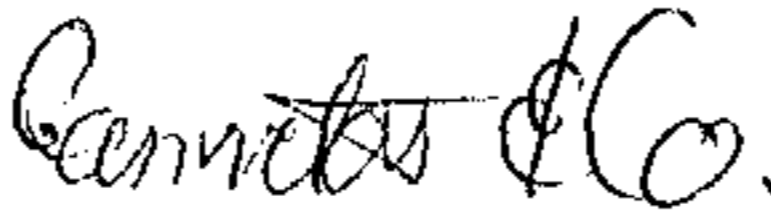
Independent Accountant's Compilation Report

To the Board of Directors
Gould Volunteer Fire Company No. 2
Gretna, Louisiana

We have compiled the accompanying annual sworn general purpose financial statements of Gould Volunteer Fire Company No. 2 as of and for the year ended December 31, 1999, as required by Louisiana Revised Statutes 24:513, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

These financial statements do not include the separate fund to account for the social activities of the company.

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.


Camnetar & Co., CPAs
A Professional Accounting Corporation

Gretna, LA
June 29, 2000

GOULD VOLUNTEER FIRE COMPANY NUMBER 2

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS**

DECEMBER 31, 1999

	<u>GOVERNMENTAL</u> <u>FUND TYPE</u>		<u>ACCOUNT</u> <u>GROUP</u>	
	<u>GENERAL</u>		<u>GENERAL</u> <u>FIXED</u> <u>ASSETS</u>	<u>TOTAL</u> <u>(MEMORANDUM)</u> <u>ONLY</u>
ASSETS				
Cash (including certificates of deposit of \$30,000)	\$ 73,335		\$ 0	\$ 73,335
Due from other funds	1,918		0	1,918
Fixed assets	<u>0</u>		<u>200,400</u>	<u>200,400</u>
TOTAL ASSETS	\$ <u>75,253</u>		\$ <u>200,400</u>	\$ <u>275,653</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accrued expenses	\$ <u>1,896</u>		\$ <u>0</u>	\$ <u>1,896</u>
TOTAL LIABILITIES	<u>1,896</u>		<u>0</u>	<u>1,896</u>
Fund Balance				
Undesignated - unreserved	73,357		0	73,357
Investment in fixed assets	<u>0</u>		<u>200,400</u>	<u>200,400</u>
TOTAL FUND BALANCE	<u>73,357</u>		<u>200,400</u>	<u>273,757</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>75,253</u>		\$ <u>200,400</u>	\$ <u>275,653</u>

See Accountant's Compilation Report
The accompanying notes are an integral part of this statement.

GOULD VOLUNTEER FIRE COMPANY NUMBER 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 1999

REVENUES	
Intergovernmental	\$ 334,241
Dues	650
Miscellaneous	1,160
Interest	<u>901</u>
TOTAL REVENUES	<u>336,952</u>
EXPENDITURES	
Administration expenses	12,718
Insurance	37,254
Fire fighting expenses	75,515
Payroll taxes	14,664
Pension expense	7,409
Radio repairs	1,847
Salaries	185,215
Utilities	10,629
Building maintenance	<u>3,874</u>
TOTAL EXPENDITURES	<u>349,125</u>
EXCESS OF EXPENDITURES OVER REVENUES	(12,173)
FUND BALANCE:	
AT BEGINNING OF YEAR	<u>85,530</u>
AT END OF YEAR	\$ <u><u>73,357</u></u>

See Accountant's Compilation Report
The accompanying notes are an integral part of this statement.

**GOULD VOLUNTEER FIRE COMPANY NUMBER 2
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 1 -- ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF ACTIVITIES

Gould Volunteer Fire Company Number 2 (a non-profit organization) was established to provide fire fighting within the City of Gretna, Louisiana. In addition, the Organization provides fire code inspections for businesses within the city, as well as fire and rescue training for its members.

Because the Gould Volunteer Fire Company Number 2 received the vast majority of its financial support from the City of Gretna, to provide a public service, it is considered a quasi-public entity for financial reporting purposes. Accordingly, the accompanying general purpose financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies applied in the preparation of the accompanying general purpose financial statements are described as follows:

FINANCIAL REPORTING ENTITY

The accompanying general purpose financial statements include all governmental funds and account groups which are controlled by the Gould Volunteer Fire Company Number 2. (A fund maintained by the Company, in order to provide for social activities, is not included in the presentation of these financial statements.) Control is based on application of the criteria established by the GASB for determining the reporting entity. The basic, but not the only criteria, is the ability to exercise oversight responsibility. Oversight responsibility is derived from, among other things, the ability to significantly influence operations. Based on the foregoing criteria, there are no component units which have been combined with the Gould Volunteer Fire Company Number 2 to form the reporting entity, nor are there any potential component units which should be combined with the Gould Volunteer Fire Company Number 2 to form the reporting entity.

FUND ACCOUNTING

For financial reporting, the accounts of the Gould Volunteer Fire Company Number 2 are organized on a fund and account group basis, each of which is considered a separate accounting entity, with a separate set of self-balancing accounts which comprise the assets, liabilities, fund equity, revenues and expenditures. The Gould Volunteer Fire Company Number 2 has only one governmental fund, the General Fund, which is used to account for all of its governmental financial resources.

BASIS OF ACCOUNTING

The Gould Volunteer Fire Company Number 2's accounting records for its General Fund are maintained on the cash basis of accounting. For financial reporting in accordance with generally accepted accounting principles, the accounting records are converted to the modified accrual basis under which revenues and expenditures are recognized as follows:

**GOULD VOLUNTEER FIRE COMPANY NUMBER 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 1999**

REVENUES

Gould Volunteer Fire Company Number 2 received a majority of its revenues through monthly payments on a contract with the City of Gretna, Louisiana to provide fire fighting services. These revenues are recorded as Intergovernmental Revenues in the period when they are received. Other revenues are reported in the period in which they are earned.

EXPENDITURES

Expenditures are recognized when the related liability is incurred.

BUDGET

The Gould Volunteer Fire Company Number 2 is not legally required to adopt a budget. The Company did submit a budget to the City of Gretna, Louisiana as required by its contract with the City. Since this budget only covers a portion of the Company's operation, a comparison of actual results with a budget is not presented in the accompanying financial statements.

COMPENSATED ABSENCES

Accumulated annual (vacation) leave is reported in the General Fund because it is expected to be liquidated with expendable available financial resources. An expenditure or liability has not been recorded for accumulated sick leave because it is nonvested.

FIXED ASSETS

Certain fixed assets acquired in recent years are recorded as expenditures (capital outlay) in the General Fund when purchased and are accounted for in the General Fixed Assets Account Group. This only represents recent acquisitions of fixed assets and does not include other assets that are owned by the Company including land, buildings, furniture and equipment.

DONATED SERVICES

The value of donated services is not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time to the Organization's fire fighting.

**GOULD VOLUNTEER FIRE COMPANY NUMBER 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 1999**

TOTAL COLUMN ON COMBINED BALANCE SHEET

The total column on the combined balance sheet is captioned "memorandum only" to indicate that this information is presented only to facilitate financial analysis. Data in the total column does not present financial position in conformity with generally accepted accounting principles.

NOTE 2

CASH

At December 31, 1999, the carrying amount of the Gould Volunteer Fire Company Number 2 bank accounts was \$44,684 which was covered by federal depository insurance.

NOTE 3

CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group during the year ended December 31, 1999:

	<u>Balance</u> <u>January 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 1999</u>
Fire Fighting Equipment & Other Equipment	\$ <u>149,861</u>	\$ <u>50,539</u>	\$ <u>0</u>	\$ <u>200,400</u>

NOTE 4

Pension Plans

Gould Volunteer Fire Company No. 2 has a Simple Retirement Plan established under section 408(p) of the Internal Revenue Code. There are no eligibility requirements. All employees are eligible to participate upon the later of the plan's effective date or the employee's date of hire. The plan is a matching contribution plan.

COMPLIANCE SECTION

CAMNETAR & CO., CPAs
A Professional Accounting Corporation
94 Westbank Expressway, Suite B, Gretna, LA 70053
(504) 362-2544 FAX (504) 362-2663

**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by Gould Volunteer Fire Company No. 2 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Gould Volunteer Fire Company No. 2's compliance with certain laws and regulations during the year ended December 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, we 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 \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There was one expenditure made during the year for material and supplies exceeding \$15,000. We examined documentation which indicated that this expenditure was accepted in accordance with the provision of LSA-RS38:2211-2251. However, there was no documentation to support proper advertisement.

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 41:1101-1124 (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 us with the required list including the noted information.

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

Management provided us with the required list.

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 (agreed-upon procedure (3)) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

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

Management provided us with a copy of the original budget. There were no amendments to the budget during the year. The company was not required under statute to adopt a budget.

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

The Company was not required to legally adopt a budget.

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 Company was not required to legally adopt a budget.

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;

We 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 payment received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicating proper approvals.

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).

Gould Volunteer Fire Company No. 2 is not required to post or advertise a notice of meetings.

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.

We inspected the cash receipts journal 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.

A reading of the minutes of the Gould Volunteer Fire Company No. 2 for the year ended December 31, 1999 indicated no payments for advances or bonuses. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

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

This report is intended solely for the use of Gould Volunteer Fire Company No. 2 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.



Camnetar & Co., CPAs
A Professional Accounting Corporation

Gretna, LA
June 29, 2000

**GOULD VOLUNTEER FIRE COMPANY NUMBER 2
MANAGEMENT CORRECTIVE ACTION PLAN
For the Year Ended December 31, 1999**

Section I Agreed Upon Procedures

1999-1 Public Bid Law - Gould is required under LSA-RS38:2211-2251 to request public bid for materials and supplies which exceed \$15,000. In the one expenditure noted during the year, acceptance was in accordance with the state provision. However, there was no documentation to support proper advertisement.

Management's Response:

Gould will have the purchasing committee consult with the City of Gretna purchasing department for a better understanding of the public bid law and retention of documentation required.

Section II Management Letter

1992-2 - Pension Plan From the limited procedures performed in our agreed upon procedures engagement, we noticed that 4% of compensation was being contributed to a "Simple" retirement plan under IRC Section 408(p). This section of the Internal Revenue Code limits employee contributions to either 2%, in a non-contributing plan, or a 3% match of employee contributions in a contributing plan. It appears that this plan is either over-funded as a non-contributing plan or employee compensation, subject to federal employment taxes, are under reported if it is intended to be a contributing plan. In either event, appropriate corrections should be made.

Management's Response:

Gould will consult with its CPA and financial advisor to gain a better understanding of the pension plan and make appropriate modifications.

GOULD VOLUNTEER FIRE COMPANY NUMBER 2
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 1999

Section I Agreed Upon Procedures

1998-1 Late Filing of the compiled Financial Statement - Resolved

Section II Management Letter

None

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

06/29/00 (Date Transmitted)

Camnetar & Co., CPAs
A Professional Accounting Corporation
94B Westbank Expressway
Gretna, LA 70053 (Auditors)

In connection with your compilation of our financial statements as of December 31, 1999 and for the year 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 June 29, 2000(date of completion/representations).

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 [X] 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 a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [X] 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 [X] 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 39:34.

Yes [X] No []

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 44:36.

Yes [X] No []

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

Yes [X] No []

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

Yes [X] No []

Meetings

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

Yes [X] 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, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [X] No []

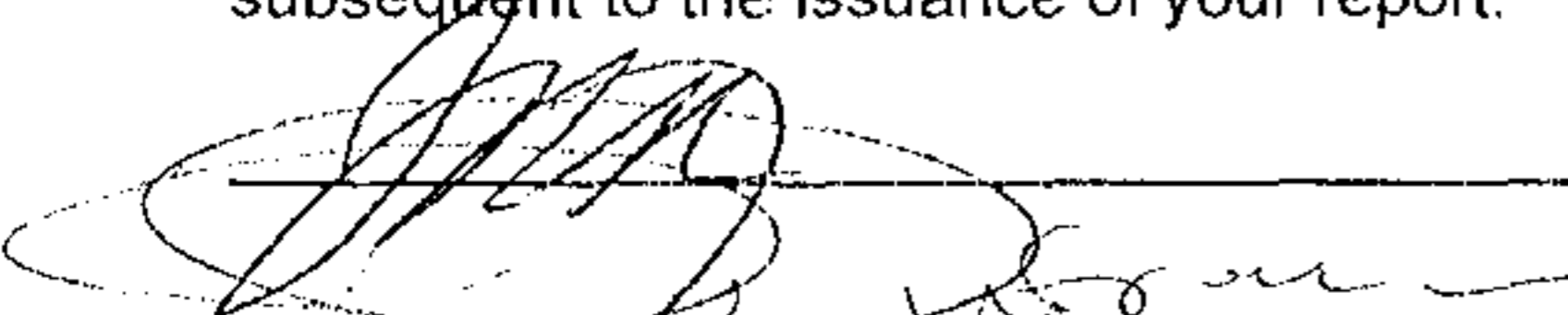

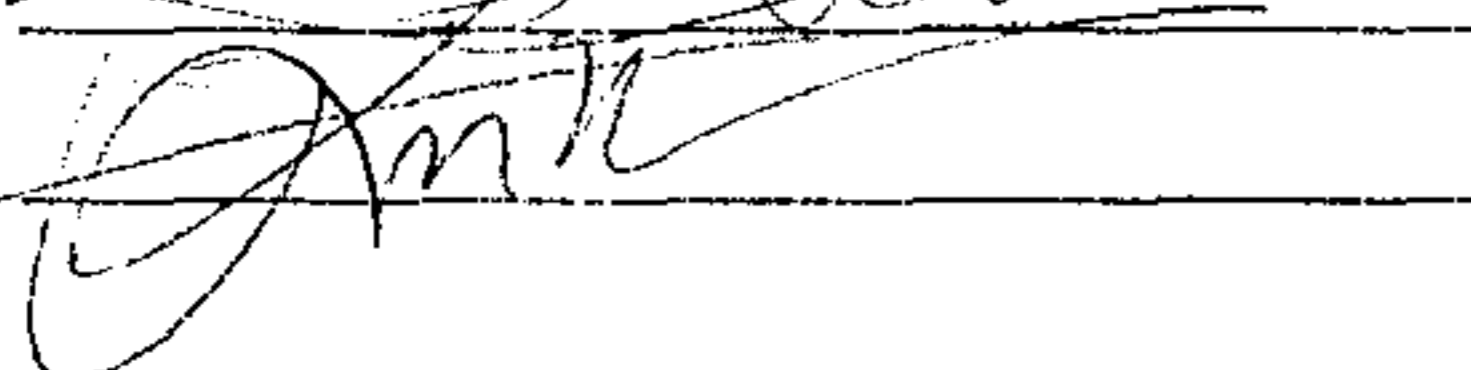
Advances and Bonuses

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 [X] 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.

	Secretary	<u>6/29/00</u>	Date
	Treasurer	<u>6-29-00</u>	Date
	President	<u>6-28-00</u>	Date

**GOULD VOLUNTEER FIRE COMPANY NO. 2
MANAGEMENT ADVISORY COMMENTS
DECEMBER 31, 1999**

**Camnetar & Co., CPAs
A Professional Accounting Corporation**

CAMNETAR & CO., CPA's
A Professional Accounting Corporation
94 Westbank Expressway, Suite B, Gretna, LA 70053
(504) 362-2544 FAX (504) 362-2663

Board of Directors and Members
Gould Volunteer Fire Company No. 2

As a result of our engagement to perform agreed upon procedures of the financial statements of the Gould Volunteer Fire Company No. 2 for the year ended December 31, 1999 as prescribed by LRS24:513, we noted certain areas in the system and procedures where we believe improvements could be made.

This memorandum summarizes our comments and suggestions.

We will be pleased to discuss them with you and provide assistance in their implementation.



Camnetar & Co., CPAs
A Professional Accounting Corporation

Gretna, LA
June 29, 2000

1999-1 - Public Bid Law Gould is required under LSA-RS38:2211-2251 to request public bid for materials and supplies which exceed \$15,000. In the one expenditure noted during the year, acceptance was in accordance with the state provision. However, there was no documentation to support proper advertisement. It is our suggestion that Gould consult with the City of Gretna purchasing department for a better understanding of the public bid law and retention of documentation required

1999-2 - Pension Plan From the limited procedures performed in our agreed upon procedures engagement, we noticed that 4% of compensation was being contributed to a "Simple" retirement plan under IRC Section 408(p). This section of the Internal Revenue Code limits employer contributions to either 2%, in a non-contributing plan, or a 3% match of employee contributions in a contributing plan. It appears that this plan is either over-funded as a non-contributing plan or employee compensation, subject to federal employment taxes, are under reported if it is intended to be a contributing plan. In either event, appropriate corrections should be made. It is our suggestion that the Gould Volunteer Fire Company No. 2 consult with its CPA and financial advisor to make appropriate modifications.