

RECEIVED  
LEGISLATIVE AUDITOR

00 JUN 20 AM 9:30

**OFFICIAL  
FILE COPY**

**DO NOT SEND OUT**

(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

**SCOTT VOLUNTEER FIRE DEPARTMENT**  
Scott, Louisiana

Financial Report

Years Ended December 31, 1999 and 1998

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 ~~JUL 19 2000~~

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Statements of financial position	3
Statements of activities	4
Statements of cash flows	5
Notes to financial statements	6-8
SUPPLEMENTAL INFORMATION	
INTERNAL CONTROL AND COMPLIANCE	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	11-12
Summary schedule of current and prior year audit findings and corrective action plan	13
OTHER SUPPLEMENTAL INFORMATION	
Statements of functional expenses	15

**KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA  
Russell F. Champagne, CPA  
Victor R. Slaven, CPA  
Chris Rainey, CPA  
Conrad O. Chapman, CPA  
P. Troy Courville, CPA

P.O. Box 82329  
Lafayette, LA 70598

Phone (337) 232-4141  
Fax (337) 232-8660

WEB SITE  
WWW.KCSRCPAS.COM

MEMBER OF:

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

Allen J. LaBry, CPA  
Penny Angelle Scruggins, CPA  
Mary T. Thibodeaux, CPA  
Gerald A. Thibodeaux, Jr., CPA  
Kelly M. Doucet, CPA  
Kenneth J. Rachal, CPA  
Lisa G. Spain, CPA

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Scott Volunteer Fire Department  
Scott, Louisiana

We have audited the accompanying statements of financial position of the Scott Volunteer Fire Department (a nonprofit organization), as of December 31, 1999 and 1998, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Scott Volunteer Fire Department as of December 31, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 2, 2000 on our consideration of the Scott Volunteer Fire Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information listed as "Supplemental Information" is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

***Kolder, Champagne, Slaven & Rainey, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
June 2, 2000

234 Rue Beauregard  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

113 East Bridge Street  
Breaux Bridge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

133 East Waddil  
Marksville, LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

1234 David Drive, Suite 105  
Morgan City, LA 70380  
Phone (504) 384-2020  
Fax (504) 384-3020

408 W. Cotton Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

332 W. Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

200 South Main Street  
Abbeville, LA 70511  
Phone (337) 893-7944  
Fax (337) 893-7946

**FINANCIAL STATEMENTS**

SCOTT VOLUNTEER FIRE DEPARTMENT  
Scott, Louisiana

Statements of Financial Position  
December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<b>ASSETS</b>		
Cash	\$ 22,515	\$ 43,619
Interest-bearing deposits	70,972	40,589
Accounts receivable	3,087	350
Property, plant, and equipment, net	<u>424,784</u>	<u>489,599</u>
Total assets	<u><u>\$ 521,358</u></u>	<u><u>\$ 574,157</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	\$ 1,562	\$ 1,942
Current maturities of long-term debt	56,588	62,569
Interest payable	1,205	1,230
Deferred income	30,000	30,000
Long-term debt	<u>92,150</u>	<u>148,737</u>
Total liabilities	<u>181,505</u>	<u>244,478</u>
Net assets:		
Unrestricted -		
Operating	63,807	51,386
Net investment in fixed assets	<u>276,046</u>	<u>278,293</u>
Total net assets	<u>339,853</u>	<u>329,679</u>
Total liabilities and net assets	<u><u>\$ 521,358</u></u>	<u><u>\$ 574,157</u></u>

The accompanying notes are an integral part of this statement.

SCOTT VOLUNTEER FIRE DEPARTMENT  
Scott, Louisiana

Statements of Activities  
Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Unrestricted net assets:		
Unrestricted support and revenue -		
Public support:		
Contributions -		
City of Scott	\$ 83,795	\$ 83,238
State of Louisiana - Fire insurance tax	30,029	28,248
Miscellaneous donations	<u>13,548</u>	<u>16,220</u>
Total public support	<u>127,372</u>	<u>127,706</u>
Revenue:		
Contract service fees	30,000	25,000
Rent income	4,200	4,200
Interest income	2,039	2,197
Miscellaneous	<u>935</u>	<u>170</u>
Total revenue	<u>37,174</u>	<u>31,567</u>
Total unrestricted support and revenue	<u>164,546</u>	<u>159,273</u>
Expenses:		
Program services -		
Fire-fighting	143,248	149,216
Support services -		
General and administrative	11,124	9,401
Fundraising	<u>-</u>	<u>4,584</u>
Total expenses	<u>154,372</u>	<u>163,201</u>
Increase (decrease) in unrestricted net assets	10,174	(3,928)
Net assets, unrestricted, beginning of year	<u>329,679</u>	<u>333,607</u>
Net assets, unrestricted, end of year	<u><u>\$ 339,853</u></u>	<u><u>\$ 329,679</u></u>

The accompanying notes are an integral part of this statement.

SCOTT VOLUNTEER FIRE DEPARTMENT  
Scott, Louisiana

Statements of Cash Flows  
Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 10,174	\$ (3,928)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	73,191	76,693
(Increase) decrease in operating assets:		
Accounts receivable	(2,737)	(350)
Increase (decrease) in operating liabilities:		
Accounts payable	(380)	(6,894)
Accrued interest payable	(25)	(861)
Deferred income	<u>-</u>	<u>30,000</u>
Net cash provided by operating activities	80,223	94,660
 Cash flows from investing activities:		
Purchase of equipment, firetruck and building improvements	(8,376)	(5,423)
 Cash flows from financing activities:		
Principal paid on note payable	<u>(62,568)</u>	<u>(61,491)</u>
 Increase in cash and cash equivalents	9,279	27,746
 Cash and cash equivalents, beginning of period	<u>84,208</u>	<u>56,462</u>
 Cash and cash equivalents, end of period	<u><u>\$ 93,487</u></u>	<u><u>\$ 84,208</u></u>
 Supplemental disclosure of cash flow information:		
Interest paid	<u><u>\$ 12,857</u></u>	<u><u>\$ 17,010</u></u>

The accompanying notes are an integral part of this statement.

SCOTT VOLUNTEER FIRE DEPARTMENT  
Scott, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

Organization

The Scott Volunteer Fire Department (Organization) is a non-profit corporation formed under the laws of the State of Louisiana for the purpose of impeding, preventing, and extinguishing all types of destructive fires within or near the City of Scott, Louisiana; supervising, directing and controlling the proper care and use of all types of inflammable or combustible material found within the City; acquiring and holding property for purposes of the organization, and other related purposes.

A. Basis of Accounting

The Organization utilizes the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

B. Property and Equipment

Property and equipment are stated at cost. Depreciable assets are depreciated using the straight-line method over the estimated useful lives of the individual assets as follows:

Buildings	10-31 1/2 years
Building improvements	10-31 1/2 years
Equipment, furniture and fixtures	5 years
Fire engines	10 years

C. Income Taxes

The Organization qualifies as a tax exempt organization under Section 501(c)(4) of the Internal Revenue Code and therefore, has no provision for federal income taxes.

D. Donated Services

A substantial number of volunteers have donated time to the Organization's program and supporting services. No amounts have been included in the financial statements for donated services since no objective basis is available to measure the value of such services.

E. Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all instruments with maturities of three months or less to be cash equivalents.



SCOTT VOLUNTEER FIRE DEPARTMENT  
Scott, Louisiana

Notes to Financial Statements (Continued)

(2) Property, Plant and Equipment

The following is a summary of property, plant and equipment at December 31, 1999 and 1998:

	1999	1998
Land	\$ 16,000	\$ 16,000
Building	122,992	122,992
Building improvements	56,409	56,409
Equipment	184,299	175,923
Furniture and fixtures	12,336	12,336
Fire engines	720,133	720,133
Truck	6,700	6,700
Total property, plant and equipment	1,118,869	1,110,493
Less: Accumulated depreciation	(694,085)	(620,894)
Net property, plant and equipment	\$ 424,784	\$ 489,599

(3) Long-Term Debt

Following is a summary of long-term debt at December 31, 1999 and 1998:

	1999	1998
Note payable to Iberia Bank, dated November 10, 1998, in the amount of \$242,150, due in annual principal payments of \$50,000 through November 10, 2002, interest at 6 percent and secured by a fire engine.	\$142,150	\$192,150
 Note payable to Iberia Bank, dated June 23, 1995, in the amount of \$55,100, due in monthly installments of \$1,147 through June 23, 2000, interest at 9 percent and secured by a fire engine.	6,588	19,156
	148,738	211,306
 Less: Current maturities included in current liabilities	56,588	62,569
	\$ 92,150	\$148,737

SCOTT VOLUNTEER FIRE DEPARTMENT  
Scott, Louisiana

Notes to Financial Statements (Continued)

Following are maturities of long-term debt for each of the next three years.

<u>Year</u>	<u>Amount</u>
2000	\$ 56,588
2001	50,000
2002	42,150
	<u>\$ 148,738</u>

(4) Risk Management

The Organization is exposed to risks of loss in the areas of auto liability, general liability, management liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

**SUPPLEMENTAL INFORMATION**

**INTERNAL CONTROL AND COMPLIANCE**

**KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA  
Russell F. Champagne, CPA  
Victor R. Slaven, CPA  
Chris Ramey, CPA  
Conrad O. Chapman, CPA  
P. Troy Courville, CPA

P.O. Box 82329  
Lafayette, LA 70598

Phone (337) 232-4141  
Fax (337) 232-8660

WEB SITE:  
WWW.KCSRCPAS.COM

Allen J. LaBry, CPA  
Penny Angelle Scruggins, CPA  
Mary T. Thibodeaux, CPA  
Gerald A. Thibodeaux, Jr., CPA  
Kelly M. Doucet, CPA  
Kenneth J. Rachal, CPA  
Lisa G. Spain, CPA

MEMBER OF:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Scott Volunteer Fire Department  
Scott, Louisiana

We have audited the financial statements of the Scott Volunteer Fire Department for the year ended December 31, 1999, and have issued our report thereon dated June 2, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Scott Volunteer Fire Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Scott Volunteer Fire Department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Scott Volunteer Fire Department's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan at Item 99-1 (IC).

234 Rue Beauregard  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

113 East Bridge Street  
Breaux Bridge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

133 East Waddil  
Marksville, LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

1234 David Drive, Suite 105  
Morgan City, LA 70380  
Phone (504) 384-2020  
Fax (504) 384-3020

498 W. Cotton Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

312 W. Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

200 South Main Street  
Abbeville, LA 70511  
Phone (337) 893-7944  
Fax (337) 893-7946

*A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe the reportable condition described in the accompanying summary schedule of current and prior year audit findings and corrective action plan at Item 99-1 (IC) is a material weakness.*

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

***Kolder, Champagne, Slaven & Rainey, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
June 2, 2000

SCOTT VOLUNTEER FIRE DEPARTMENT

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan  
Year Ended December 31, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<b>CURRENT YEAR (12/31/99)</b>						
<u>Internal Control:</u>						
99-1 (IC)	Unknown	Due to the small number of employees, the department did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Billie Lis, Treasurer	N/A
<b>PRIOR YEAR (12/31/98)</b>						
<u>Internal Control:</u>						
98-1 (IC)	Unknown	Due to the small number of employees, the department did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Billie Lis, Treasurer	N/A

**OTHER SUPPLEMENTAL INFORMATION**



SCOTT VOLUNTEER FIRE DEPARTMENT  
Scott, Louisiana

Statements of Functional Expenses  
Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Program service expenses:		
Fire-fighting -		
Communications	\$ 3,002	\$ 3,559
Dues and subscriptions	733	1,173
Utilities	5,878	5,253
Telephone	3,660	3,300
Insurance	17,970	17,302
Outside services	-	145
Repairs and maintenance - building	1,941	5,284
Repairs and maintenance - equipment	15,399	11,734
Supplies	1,599	1,272
Truck fuel	3,405	4,346
Uniforms	231	2,892
Education and training	2,263	29
Medical expense	1,144	85
Interest expense	12,832	16,149
Depreciation	<u>73,191</u>	<u>76,693</u>
Total program service expenses	<u>\$ 143,248</u>	<u>\$ 149,216</u>
Support service expenses:		
General and administrative -		
Professional fees	\$ 5,235	\$ 4,640
Meals	1,973	1,449
Miscellaneous	1,215	1,980
Office expense	1,902	637
Postage expense	663	182
Travel and entertainment	<u>136</u>	<u>513</u>
Total general and administrative	11,124	9,401
Fund raising	<u>-</u>	<u>4,584</u>
Total support service expenses	<u>\$ 11,124</u>	<u>\$ 13,985</u>