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BRIDGE CITY VOLUNTEER FIRE CO. #1
BRIDGE CITY, LOUISIANA
ANNUAL FINANCIAL REPORT
DECEMBER 31, 1995

under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 8-7-96

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INDEPENDENT AUDITOR'S REPORT

MEMBERS
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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

To Board of Directors of the
Bridge City Volunteer Fire Co. #1

We have audited the accompanying general purpose financial statements of Bridge City Volunteer Fire Co. #1, Bridge City, Louisiana, as of and for the year ended December 31, 1995, as listed in the table of contents. These financial statements are the responsibility of the Volunteer Fire Co.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Bridge City Volunteer Fire Co. #1, at December 31, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Uzee, Butler, Arceneux & Bowes

Harvey, Louisiana
June 27, 1996

BRIDGE CITY VOLUNTEER FIRE CO. #1

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1995

	Governmental Fund Type <u>General</u>	Account Group General <u>Fixed Assets</u>	Total (Memorandum Only)
ASSETS			
Cash	\$135,460	\$ -0-	\$135,460
Accrued interest receivable	106	-0-	106
Security deposit	3,035	-0-	3,035
Fixed assets	<u>-0-</u>	<u>413,097</u>	<u>413,097</u>
 Total assets	 <u>\$138,601</u>	 <u>\$413,097</u>	 <u>\$551,698</u>
 LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts payable	\$ 6,089	\$ -0-	\$ 6,089
Withheld and accrued payroll taxes	7,683	-0-	7,683
Accrued salaries	936	-0-	936
Compensated absences payable	12,227	-0-	12,227
Deferred revenue	<u>29,327</u>	<u>-0-</u>	<u>29,327</u>
 Total liabilities	 <u>56,262</u>	 <u>-0-</u>	 <u>56,262</u>
 Equity and other credits:			
Investment in general fixed assets	-0-	413,097	413,097
Fund balance:			
Reserved for security deposit	3,035	-0-	3,035
Unreserved - undesignated	<u>79,304</u>	<u>-0-</u>	<u>79,304</u>
 Total equity and other credits	 <u>82,339</u>	 <u>413,097</u>	 <u>495,436</u>
 Total liabilities, equity and other credits	 <u>\$138,601</u>	 <u>\$413,097</u>	 <u>\$551,698</u>

The accompanying notes are an integral part of this statement.

BRIDGE CITY VOLUNTEER FIRE CO. #1
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year ended December 31, 1995

Revenues:

Intergovernmental (from Jefferson Parish):		
Contractual services	\$364,056	
Subsidies for maintenance and operation and purchase of equipment	<u>13,000</u>	\$377,056
Charges for services		25,351
Interest income		1,322
Vending machine sales and commissions		<u>2,328</u>
Total revenues		406,057

Expenditures:

Current operating:		
Salaries, including compensated absences	163,790	
Auto and truck expense	6,433	
Conventions, conferences and meetings	8,379	
Dues and subscriptions	1,071	
Food and beverage	1,689	
Fuel	2,783	
Insurance - general	17,216	
Insurance - group hospitalization, dental, disability and life	42,858	
Medical	440	
Membership activities	4,161	
Miscellaneous	3,400	
Payroll taxes	12,806	
Professional services	1,552	
Repairs and maintenance	15,537	
Supplies	4,260	
Training	3,913	
Uniforms	2,442	
Utilities and telephone	6,640	
Capital outlay - purchases of equipment	<u>14,363</u>	
Total expenditures		<u>313,733</u>

Excess of revenues over expenditures	92,324
Fund balance at beginning of year (deficit)	<u>(9,985)</u>
Fund balance at end of year	<u>\$ 82,339</u>

The accompanying notes are an integral part of this statement.

BRIDGE CITY VOLUNTEER FIRE CO. #1

NOTES TO FINANCIAL STATEMENTS
December 31, 1995

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bridge City Volunteer Fire Co. #1 (the Fire Company) was incorporated under the laws of the State of Louisiana on March 15, 1949 to provide fire protection in Jefferson Parish, Louisiana in an area comprising part of Fire Protection District No. 7 of Jefferson Parish.

Because the Fire Company receives the vast majority of its financial support from the Parish of Jefferson 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:

- A. Financial Reporting Entity. The accompanying general purpose financial statements include all funds and account groups which are controlled by the Fire Company. Control is based on application of the criteria established by the GASB for determining the reporting entity. The basic criteria, but not the only, 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 Fire Company to form the reporting entity, nor are there any potential component units which should be combined with the Fire Company to form the reporting entity.
- B. Fund Accounting. For financial reporting the accounts of the Fire Company 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 Fire Company has only one fund, the General Fund, which is used to account for all of its financial resources.

BRIDGE CITY VOLUNTEER FIRE CO. #1

NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 1995

- C. Basis of accounting. The Fire Company'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.

Revenues. The Fire Company has a contractual agreement with the Parish of Jefferson under which the Fire Company is to provide fire protection and related services in a specifically designated area of Fire Protection District No.7. The agreement provides that the Fire Company is to receive from the Parish a sum of money in monthly installments which will represent one-fifth of the net proceeds of the property tax levied annually by Fire Protection District No. 7. The Fire Company also receives from the Parish one-fifth of the 2% fire insurance premium tax which the Parish receives from the State of Louisiana for Fire Protection District No. 7. The proceeds of the property tax (\$356,400) and the 2% fire insurance premium tax (\$7,656) are reported as intergovernmental revenue from contractual services in the accompanying statement of revenues and expenditures. Intergovernmental revenues are reported as revenues of the period for which received. Charges for services and interest income are reported as revenues in the period in which they are earned. Vending machine sales and commissions are reported as revenue in the period in which received. Deferred revenue is recorded when resources are received for specific expenditures prior to the incurrence of the qualifying expenditures. In subsequent periods when the qualifying expenditures are incurred, the liability for deferred revenue is removed and revenue is recognized.

Expenditures. Expenditures are recognized when the related liability is incurred.

- D. Budget. The Fire Company is not legally required to adopt a budget and a budget was not adopted; therefore, a comparison of actual results with a budget is not presented in the accompanying financial statements.

BRIDGE CITY VOLUNTEER FIRE CO. #1

NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 1995

- E. Fixed Assets. Fixed assets are recorded as expenditures (capital outlay) in the General Fund when purchased and are accounted for in the General Fixed Assets Account Group. Purchased fixed assets acquired prior to 1974 are stated at their estimated historical cost of \$ 9,500 as determined by management because historical records do not exist. Purchased fixed assets acquired subsequent to 1973 are stated at historical cost. Land on which the fire station is located is stated at \$28,000 which was its estimated fair value on the date it was donated to the Fire Company. Assets in the General Fixed Assets Account Group are not depreciated.
- F. 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.
- G. 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. Neither is such data comparable to a consolidation.

2. CASH

At December 31, 1995, the carrying amount of the Fire Company's bank deposits was \$135,460 and the bank balances were \$139,029. All of the Fire company's bank deposits are in one local bank, \$100,000 of which is covered by federal depository insurance. The remaining balance is unsecured and uncollateralized.

BRIDGE CITY VOLUNTEER FIRE CO. #1

NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 1995

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, 1995.

	<u>Balance January 1</u>	<u>Add- itions</u>	<u>Deduct- ions</u>	<u>Balance December 31</u>
Land	\$ 28,000	\$ -0-	\$ -0-	\$ 28,000
Buildings and improvements	155,493	-0-	-0-	155,493
Equipment	<u>215,241</u>	<u>14,363</u>	<u>-0-</u>	<u>229,604</u>
	<u>\$398,734</u>	<u>\$14,363</u>	<u>\$ -0-</u>	<u>\$413,097</u>

4. CONTRIBUTED SERVICES

A significant contribution of time is made by unpaid volunteers to accomplish the purpose for which the Fire Company was established. The value of this contributed time is not included in the accompanying financial statements because it is not susceptible to objective measurement or evaluation.

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INDEPENDENT AUDITORS'S REPORT ON COMPLIANCE BASED ON AND AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To Board of Directors of the
Bridge City Volunteer Fire Co. #1

We have audited the general purpose financial statements of Bridge City Volunteer Fire Co. #1 (the Fire Company) as of and for the year ended December 31, 1995, and have issued our report thereon dated June 27, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, and contracts applicable to the Fire Company is the responsibility of the Fire Company's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Fire Company's compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

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

Uzee, Butler, Arceneux & Bowes

Harvey, Louisiana
June 27, 1996

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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON AN
AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To Board of Directors of the
Bridge City Volunteer Fire Co. #1

We have audited the general purpose financial statements of Bridge City Volunteer Fire Co. #1 (the Fire Company) as of and for the year ended December 31, 1995, and have issued our report thereon dated June 27, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Fire Company is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Fire Company, for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted the following matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Because of the small size of the entity and its limited number of personnel it is not feasible to have adequate segregation of duties. All operations are under the dominant control of one person. One employee writes checks, records cash receipts and cash disbursements and reconciles the bank accounts.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly would not disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described in the second preceding paragraph is a material weakness. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the general purpose financial statements of the Fire Company for the year ended December 31, 1995.

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

Uzee, Butler, Arceneux & Bowes

Harvey, Louisiana
June 27, 1996