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# FINANCIAL STATEMENTS AND ACCOUNTANT'S COMPILATION REPORT

FIRE PROTECTION GRANT OF PIERRE PART-BELLE RIVER VOLUNTEER FIRE DEPARTMENT (RECEIVED FROM ASSUMPTION PARISH POLICE JURY) Pierre Part-Belle River, Louisiana 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 7-31-96

Waguespack & Associates (APAC) Certified Public Accountants P. O. Box 461 Belle Rose, LA 70341 (504) 473-9200

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# RECEIVED LEGISLATIVE AUDITOR Michael Jean Waguesmack, CPA Blaine Months Waguespack, CPA

#### WAGUESPACK & ASSOCIATES (A Professional Accounting Corporation) **CERTIFIED PUBLIC ACCOUNTANTS**

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#### INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Commissioners of Pierre Part-Belle River Volunteer Fire Department Pierre Part-Belle River, Louisiana

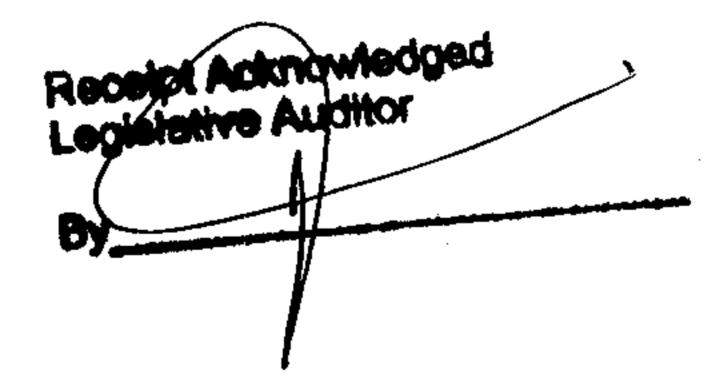
We have compiled the accompanying fire protection grant financial statements of Pierre Part-Belle River Volunteer Fire Department received from Assumption Parish Police Jury, Pierre Part-Belle River, Louisiana, as of and for the year ended December 31, 1995, in accordance with Statements on Standards 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. 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.

As discussed in Note A, the financial statements present only the fire protection grant from Assumption Parish Police Jury and are not intended to present fairly the financial position and results of operations of Pierre Part-Belle River Fire Department, in conformity with generally accepted accounting principles.

Wagnerpack + Assocités (APAC)

Belle Rose, Louisiana June 10, 1996



Members of Society of Louisiana Certified Public Accountants and American Institute of Certified Public Accountants

#### **BALANCE SHEET - FIRE PROTECTION GRANT** December 31, 1995 (See Accountant's Compilation Report)

	Special Revenue Fund-Fire Protection <u>Grant</u>	e Acquired	To Be Paid	Total (Memorandum Only)
ASSETS AND OTHER DEBITS Assets: Cash and cash equivalents Due from volunteer fund General Fixed Assets-Grant:	\$	092 <b>\$</b> 228	- <b>\$</b> -	\$ 103,092 8,228
Fire protection facilities and equipment Amount to be provided for		- 173,5	591 -	173,591
retirement of general long-term debt		<b></b>	<u>- 40,688</u>	40,688
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 111,</u>	<u>320 \$ 173,5</u>	<u>591 \$ 40,688</u>	<u>\$ 325,599</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities: Accounts payable	<b>\$</b> 50,	136 \$	- \$ -	\$ 50,136
Lease purchase obligations payable		<u> </u>	- 40,688	40,688
TOTAL LIABILITIES	50,	136	- 40,688	90,824
Equity and Other Credits: Investments in general		- 173,:	501	173,591
fixed assets-grant funds Fund balance-unreserved, undesignated	61	184		<u>61,184</u>
TOTAL EQUITY AND OTHER CREDITS	61	<u>,184 173,</u>	.591	234,775
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 111</u>	<u>,320 \$ 173,</u>	<u>,591 \$ 40,688</u>	<u>\$ 325,599</u>

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# The accompanying notes are an integral part of this statement.

#### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -SPECIAL REVENUE FUND FIRE PROTECTION GRANT For the Year Ended December 31, 1995 (See Accountant's Compilation Report)

	Budget			Actual		Variance Favorable (Unfavorable)	
REVENUES Intergovernmental revenues-							
Fire protection grant from Assumption Parish Police Jury	\$	57,200	\$	56,239	\$	(961)	
Fire insurance rebate	Φ	8,200	U.	8,228	Ψ	28	
Use of money and property-		<b>,</b> – ·		,			
Interest earnings		2,000		2,012		12	
Other revenue		300	<u> </u>	324	<del></del>	24	

TOTAL REVENUES	67,700	66,803	<u>(897</u> )
EXPENDITURES			
Current operating	10 500	22 (11)	(6.01())
Public safety	18,700	23,916	(5,216)
Capital outlay	110 500	93,904	16,596
Public safety	110,500	23,904	10,020
TOTAL EXPENDITURES	129,200	117,820	<u> </u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(61,500</u> )	<u>(51,017</u> )	10,483
OTHER FINANCING SOURCES Capital lease obligations	40,688	40,688	
TOTAL OTHER FINANCING SOURCES	40,688	40,688	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>(20,812</u> )	<u>(10,329</u> )	10,483
FUND BALANCE AT BEGINNING OF YEAR	71,513	71,513	<u> </u>
FUND BALANCE AT END OF YEAR	<u>\$ 50,701</u>	<u>\$ 61,184</u>	<u>\$ 10,483</u>

#### The accompanying notes are an integral part of this statement.



#### NOTES TO THE FINANCIAL STATEMENTS December 31, 1995

#### **NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Fire Protection Grant of Pierre Part-Belle River Volunteer Fire Department received from Assumption Parish Police Jury have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the fire department's accounting policies are described below.

FINANCIAL REPORTING ENTITY - On April 18, 1991, the Assumption Parish Police Jury entered into a grant agreement with Pierre Part-Belle River Volunteer Fire Department of Assumption Parish. The fire protection grant was for the purpose of acquiring, maintaining, and operating buildings, machines, water tanks, water hydrants, water lines and any other things necessary to provide proper fire prevention and control of the property within the boundaries of the department.

The volunteer fire department is a privately created quasi-public corporation that is subject to the grant provisions of its funding agency. The board members are not appointed by the police jury. The volunteer fire department is not fiscally dependent on the police jury and the nature and significance of their relationship with the police jury is not such that their exclusion would render the police jury's financial statements incomplete or misleading. Therefore, the volunteer fire department is a separate special purpose government.

The accompanying financial statements present information only on the fire protection grant received by the fire department from the Assumption Parish Police Jury and do not present information on the Police Jury, the general government services provided by that governmental unit, and other governmental units that comprise the Police Jury's reporting entity, nor any other non grant funds received by the fire department. Pierre Part-Belle River Volunteer Fire Department of Assumption Parish has no component units.

FUND ACCOUNTING - The fire department is organized and operated on the basis of a fund and account group whereby a separate, self balancing set of accounts is maintained that comprises its assets, liabilities, fund equity, revenues, and expenditures.

SPECIAL REVENUE FUND - The special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

MEMORANDUM ONLY-TOTAL COLUMN - The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

BASIS OF ACCOUNTING - Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The fire department's records are maintained on a cash basis of accounting. However, the fund, as reported in the accompanying financial statements, has been converted to a modified accrual basis of accounting

# using the following practices in recording revenues and expenditures:



#### NOTES TO THE FINANCIAL STATEMENTS December 31, 1995

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenues are recognized in the accounting period in which they become susceptible to accrual-that is when they become measurable and available to finance expenditures of the fiscal period.

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

BUDGET PRACTICE - The fire department adopts an annual budget based on anticipated revenues consistent with generally accepted accounting principles. Annual appropriations of funds are not made. Budgetary accounts are not integrated in the formal accounting system. Encumbrance accounting is not followed because of the small number of transactions involved.

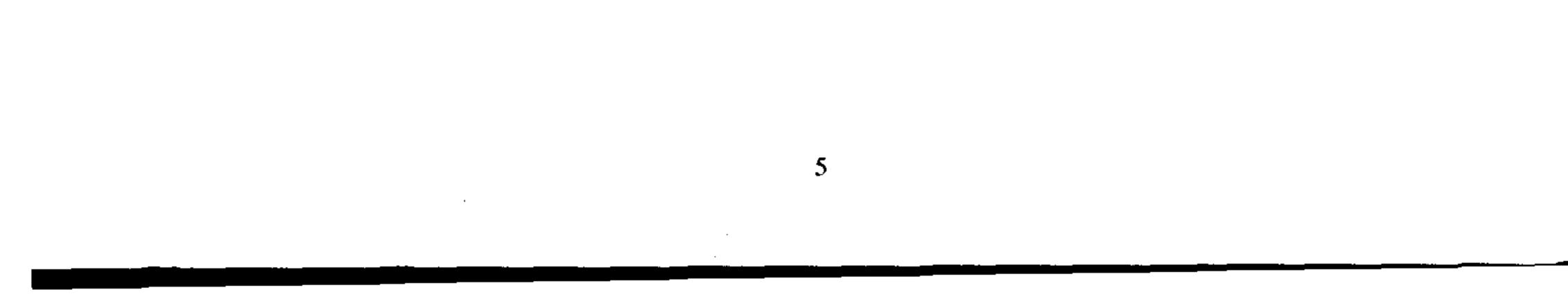
CASH AND CASH EQUIVALENTS - For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposit. Amounts are classified as cash equivalents if the original maturities are 90 days or less. Under state law, the department may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana and national banks having their principal offices in Louisiana. Further, the department may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

GENERAL FIXED ASSETS AND LONG-TERM LIABILITIES - Fixed assets are accounted for in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical costs. The account group is not a fund. It is concerned only with the measurement of financial position and does not involve measurement of results of operations. It is the policy of the department not to capitalize interest. As the department has no infrastructure assets, no accounting policy for infrastructure assets has been adopted.

PENSION PLAN AND VACATION AND SICK LEAVE - All members of the fire department are volunteers. Therefore, the fire department does not contribute to a pension plan and does not have a formal vacation and leave policy.

#### NOTE B - CASH AND CASH EQUIVALENTS

At December 31, 1995, the department had cash and cash equivalents totaling (book balances) \$103,092 at December 31, 1995. Cash and cash equivalents are stated at cost, which approximates market. The following is a summary of cash and cash equivalents (bank balances) at December 31, 1995, with the related federal deposit insurance:



#### NOTES TO THE FINANCIAL STATEMENTS December 31, 1995

#### NOTE B - CASH AND CASH EQUIVALENTS - CONTINUED

Interest-bearing demand deposits	<u>\$ 103,789</u>
Federal deposit insurance	<u>\$ 100,000</u>
Un-insured portion	<u>\$ 3,789</u>

#### NOTE C - CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in fixed assets.

BALANCE

BALANCE

	12-31-94	ADDITIONS	DELETIONS	12-31-95
Fire protection facilities and equipment	<u>\$ 79,687</u>	<u>\$ 93,904</u>	<u>s                                    </u>	<u>\$ 173,591</u>

#### NOTE D - LITIGATION AND CLAIMS

There are no claims or litigation pending against the fire department at December 31, 1995 according to management of the fire department.

#### NOTE E - CAPITAL LEASE

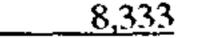
Pierre Part-Belle River Volunteer Fire Department entered into a capital lease purchase agreement during December 1995 for the acquisition of a fire truck. The terms of the agreement require five (5) annual payments of \$9,804 at 6.31 per cent interest. The following is a schedule, by years, of future minimum lease payments under a capital lease arrangement with present value of the net minimum loan payments as of December 31, 1995:

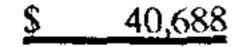
1996	\$ 9,804
1997	9,804
1998	9,804
1999	9,804
2000	 <u>9,805</u>

Total minimum lease payments

49,021

Less amount representing interest Present value of net minimum lease payments

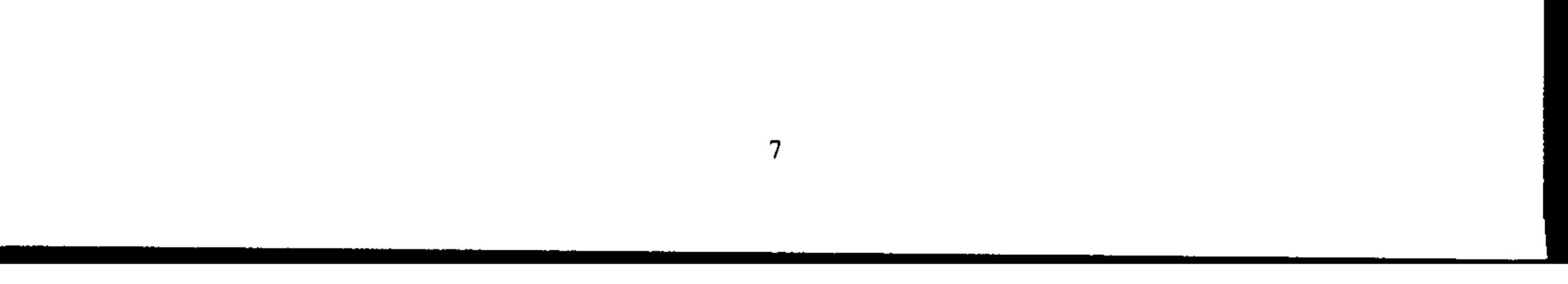




## NOTES TO THE FINANCIAL STATEMENTS December 31, 1995

The following is a summary of the changes in the capital lease purchase obligation payable as follows for the year ended December 31, 1995:

Lease purchase obligation payable at December 31, 1994	· <b>\$</b>	•
Additions	40,688	3
Reductions	- 	-
Lease purchase obligation payable at December 31, 1995	<u>\$</u> 40,688	



# REPORT AND ACCOMPANYING QUESTIONNAIRE REQUIRED BY THE LEGISLATIVE AUDITOR, STATE OF LOUISIANA

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#### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners of Pierre Part-Belle River Volunteer Fire Department Pierre Part-Belle River, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Pierre Part-Belle River Volunteer Fire Department and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Pierre Part-Belle River Volunteer Fire Department's compliance with certain laws and regulations during the period ended December 31, 1995 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of the 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 in 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 \$5,000, 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).

No expenditures were made during the year for materials and supplies exceeding \$5,000. One capital outlay transaction was made for over \$50,000 and we examined the documentation which indicated that the expenditures associated with this transaction had been properly advertised and accepted in accordance with the provisions of LSA-RS 38:2211-2251.

#### 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 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.

All members and commissioners of the fire department are volunteers. Therefore, the fire department had no employees during the period under examination.

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

As indicated in procedure (3), there were no employees during the period under examination. Thus, this procedure would not be applicable.

#### BUDGETING

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

Management provided us with a copy of the original budget and all amendments to the budget during the year.

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

We traced the adoption of the original budget to the minutes which indicated the budget had been adopted by the Commissioners of the Pierre Part-Belle River Volunteer Fire Department. No amendments were made to the budget during the year.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures did not exceed budgeted amounts by more than 5%.

# ACCOUNTING AND REPORTING

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

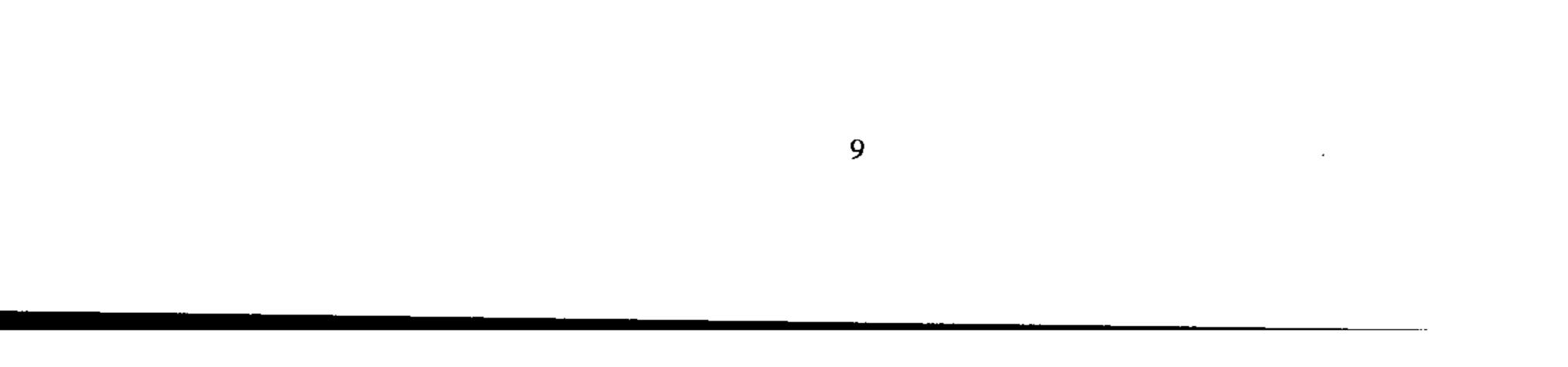
The six disbursements were properly coded to the correct fund and general ledger account

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

Inspection of documentation supporting each of the six selected disbursements indicated approval from the treasurer. In addition, the treasurer's report was traced to the fire departments minutes where the report was approved by the commissioners.

### MEETINGS

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



The Pierre Part-Belle River Volunteer Fire Department posts a notice and accompanying agenda of each meeting on the station door. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

#### <u>DEBT</u>

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 copies of all bank deposit slips and bank statements 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 fire department did not employ any employees for the year and a reading of the minutes of the fire department did not indicate any such payments made to the volunteer members.

#### FISCAL AGENCY AND CASH MANAGEMENT

It was noted that management failed to adequately secure the deposits with respect to the cash deposited in the demand deposit account at a local financial institution. The portion of the demand deposit balance that exceeded the federal deposit insured coverage was \$3,789 and is considered un-insured and unsecured. Thus, the fire department was not in compliance with LSA-RS 39:1221-1226.

We were 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, 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 the management of Pierre Part-Belle River 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 purpose. However, this report is a matter of public record and its distribution is not limited.

Wagnespack & Associates (APAC)

Belle Rose, Louisiana June 10, 1996

