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NEW VOLUNTEER FIRE CO., INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDING DECEMBER 31, 1995 AND 1994

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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 7-28-96

Justin A. McCarthy  
Certified Public Accountant  
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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the  
WOB Volunteer Fire Company, Inc.

I have audited the accompanying general purpose financial statements of the WOB Volunteer Fire Company, Inc. as of and for the years ending December 31, 1993 and 1994 and the related statements of revenue, expenditures, and changes in fund balances for the years then ended, as listed in the table of contents. These financial statements are the responsibility of the Volunteer Fire Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

I conducted the audit in accordance with generally accepted auditing standards. These standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion the general purpose financial statements referred to in the first paragraph, presents fairly in all material respects, the financial position of WOB Volunteer Fire Company, Inc. as of December 31, 1993 and 1994, the results of its operations for the years then ending in conformity with generally accepted accounting principles.

  
Justin A. McCarty, CPA  
Brookholm, Louisiana  
June 15, 1995.

WHS HOLDINGS FUND CO., INC.  
 COMBINED BALANCE SHEET - ALL TYPES FUND ACCOUNTS (GROUP)  
 DECEMBER 31, 1993 AND 1994

Governmental Fund Type		1993	1994
General Fund		-----	-----
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$	187,950	\$ 17,498
		-----	-----
TOTAL Current Assets	\$	187,950	\$ 17,498
		-----	-----
Account Group			
General Fixed Assets			
Building and Improvements	\$	88,943	\$ 83,342
Equipment		181,759	169,188
		-----	-----
TOTAL General Fixed Assets	\$	270,702	\$ 252,530
		-----	-----
Total Assets	\$	458,652	\$ 369,998
		-----	-----
LIABILITIES			
Current Liabilities			
Accounts Payable	\$	14,834	\$ 5,999
Federal Withholding Taxes		4,894	3,387
State Withholding Taxes		908	728
Deferreds Payable		165	0
Due to Internal Revenue Service			
From State Taxes, Penalties, Interest		51,905	78,880
		-----	-----
TOTAL Liabilities	\$	72,696	\$ 88,094
		-----	-----
FUND BALANCE			
Investment in Fixed Assets	\$	227,897	\$ 188,182
Fund Balance (As Restricted - See Notes)		24,514	673,260
		-----	-----
	\$	252,411	\$ 851,442
		-----	-----
TOTAL Liabilities and Fund Balance	\$	458,652	\$ 369,998
		-----	-----

The accompanying notes are an integral part of this statement.

WEE VOLUNTEER FIRE CO., INC.  
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
 GENERAL FUND  
 FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1994

	1993	1994
	----	----
<b>REVENUES</b>		
MEMBERSHIP FEES - COLLECTED	\$ 100,000	\$ 200,400
Jefferson Parish - Monthly Subsidy	0,000	0,000
Jefferson Parish - Quarterly Subsidy	4,000	4,000
Interest	0	0
STATE INSURANCE REBATE	7,454	6,000
Miscellaneous	0,000	2,573
	-----	-----
Total Revenues	\$ 111,454	\$ 213,000
	-----	-----
<b>EXPENDITURES</b>		
Employee Cost	121,000	150,000
Telephone Cost	10,000	24,000
Building Cost	21,000	20,000
Firefighting Cost	5,810	6,120
Administrative Cost	0,700	10,000
Miscellaneous	0,324	7,100
Building Additions	20,000	0
Furniture & Fixtures	20,000	0
Unallocatable Expenditures (Non Motort)	0	10,000
Interest and Penalties - Int	0,700	0,000
	-----	-----
Total Expenditures	\$ 210,534	\$ 250,200
	-----	-----
EXCESS REVENUE OVER EXPENDITURES	\$ 0,920	\$ 60,800
Other Financing Sources	40,000	0
	-----	-----
EXCESS REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES	\$ 40,920	\$ 60,800
	-----	-----
FUND BALANCE, DEFICIT BEGINNING OF THE YEAR (Restated - See Notes)	\$ (78,540)	\$ (181,000)
	-----	-----
FUND BALANCE, DEFICIT END OF YEAR	\$ 34,300	\$ (191,500)
	-----	-----

The accompanying notes are an integral part of this statement.

WEE VOLUNTEER FIRE CO., INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1993 and 1994

In May 1994 the WEE Volunteer Fire Company, Inc. had a complete turnover in its management. A new President and a new Board of Directors took over the management of the Fire Company. The problems associated with the prior management of the Fire Company for the prior years and the first five months of 1994 were corrected.

NOTE 1: Summary of Significant Accounting Policies  
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A. Statement of Presentation

The accounting and reporting policies of the WEE Volunteer Fire Co., Inc. conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting procedures also conform to the guides set forth in the Louisiana Municipal Audit and Accounting Guide and as prescribed by Statement 1, Governmental Accounting and Financial Reporting Principles, published by the National Council on Governmental Accounting.

The WEE Volunteer Fire Co., Inc. was organized as a non-profit corporation to provide fire protection to a prescribed sector of the 7th Fire District, Parish of Jefferson.

B. Basis of Accounting

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

C. Budgets and Budgetary Accounting

The WEE Volunteer Fire Co., Inc. did prepare a informal budget for the years ending December 31, 1993 and 1994 for internal use. A formal budget is not required by law therefore it is not presented in this report.

NOTE 2: Sources of Revenue  
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WEE Volunteer Fire Co., Inc. is one of three contractual fire companies of the 7th Fire District, Parish of Jefferson. The 7th Fire District of the Parish of Jefferson levies a ad valorem tax on assessed property of the District. The sum of this collection is equally divided between the three contractual volunteer fire companies of the District on a monthly pro-rata basis. The 1993 monthly allotment to each fire company was \$33,799. In 1994 it was \$33,799. In 1993 and 1994 a service charge of \$2.00 was also levied on each household and business.

**WHS VOLUNTEER FIRE CO., INC.**  
**NOTE TO THE FINANCIAL STATEMENTS**  
**PERIODS 12, 1993 AND 1994**

In addition the Parish of Jefferson provides a direct subsidy of \$ 788.08 per month per active station and a quarterly subsidy of \$ 1,820.90 per station. WHS Volunteer Fire Co. presently has one station. This direct subsidy amounts to \$ 9,456.96 and \$ 4,000.00 for the years 1993 and 1994.

Other Financial Sources - 1993. \$ 42,800

In 1993 the Fire Company received \$ 32,000 from the Parish of Jefferson as their share of a capital account maintained for improvements to the 7th Fire District fire fighting equipment.

In addition they received \$ 28,000 from the discretionary amount of Councilman Louis E. Jones of the 1st District in which they are domiciled. The contribution was for driveway improvements of the fire station.

**NOTE 3. Expenditures**

**Unallocatable Expenditures - \$ 18,849**

These were expenditures in the first five months of 1994 that were substantiated by supporting documents to determine the nature or purpose for which they were expended. The prior management of the Fire Company was unable to supply the necessary information to determine the purpose of the expenditures.

**NOTE 4. Changes in General Fixed Assets**

General fixed assets purchased are recorded as expenditures in the general fund at the time of purchase. Such assets are capitalized at cost in the general fixed assets group of account. Representations have not been provided on general fixed assets. A summary of changes in fixed assets follows:

	Balance 12/31/93	Additions	Deletions	Balance 12/31/94
Buildings and				
Improvements	\$ 23,342	32,000		\$ 48,342
Equipment	145,140	18,555		163,695
	\$ 168,482	50,555		\$ 219,037

WEE HOLMSTEDT FIRE CO., INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 1983 and 1984

	Balance 12/31/84	Additions	Deductions	Balance 12/31/83
Buildings and improvements equipment	\$ 23,343			\$ 23,343
	448,168			448,168
	\$ 471,511			\$ 471,511

NOTE 3. Due to the Internal Revenue Service \$ 22,820.

The Internal Revenue Service as of May 20, 1984 has assessed the Fire Company for non-payment of payroll taxes for the years 1980 and 1981 plus penalty and interest associated with that liability. As May 20, 1984 the assessment was for \$ 80,814. The Fire Company paid \$ 3,428 on a monthly basis, \$ 27,000 for 1983 and \$ 29,890 for 1984 to reduce this balance to \$ 25,855 as 12/31/84. The monthly payments for 1984 is \$ 1,788. The Internal Revenue Service continues to assess interest and penalty as long as this balance is outstanding. The Fire Company is presently negotiating with the Internal Revenue Service to have the penalties waived. If the Fire Company is successful in this negotiation there will be a substantial reduction in this liability. As of the date of this report there has been no determination on this matter.

NOTE 4. Statement of Beginning Fund Balance for 1984.

The ending fund balance for 1983 was restated to 1980 1983 account penalty and interest charges to the periods 1980 and 1981 for the non-payment of payroll taxes assessed by the Internal Revenue Service on May 20, 1984. The amount of the restatement was \$ 12,456, increasing the deficit at 12/31/83 from \$ 87,813 to \$ 100,269.

NOTE 5. Employees

WEE HOLMSTEDT FIRE CO., INC. has 7 employees, 3 clerical, 2 designated as chauffeurs. The salaries range from \$24,000 to \$48,000.



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REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS  
MADE AS AN ASPECT OF THE GENERAL PURPOSE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT ACCOUNTING STANDARDS

To the Board of Directors of the  
WOB Volunteer Fire Company, Inc.

I have audited the general purpose financial statements of WOB Volunteer Fire Company, Inc. as of and for the years ending December 31, 1995 and 1994, and have issued my report thereon dated June 15, 1996.

I conducted my audit in accordance with generally accepted auditing standards, and Governmental Auditing Standards issued by the Comptroller General of the United States. Those standards require that I 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, I performed tests of the Fire Company's compliance with certain provisions of laws, regulations, and contracts. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the Fire Company complied in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the Fire Company had not complied, in all material respects, with those provisions.

This report is intended for the information of the Board of Directors, management and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

  
Justin R. McCarthy, CPA  
Bossierde, Louisiana  
June 15, 1996.

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REPORT ON THE INTERNAL CONTROL STRUCTURE RELATED MATTERS  
NOTED IN A FINANCIAL STATEMENT CONDUCTED IN  
ACCORDANCE WITH GOVERNMENTAL ACCOUNTING STANDARDS

To the Board of Directors of the  
KIP Volunteer Fire Company, Inc.

I have audited the general purpose financial statements of KIP Volunteer Fire Company, Inc. as of and for the years ending December 31, 1985 and 1984, and have issued my report thereon dated June 15, 1986.

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

In planning and performing my audit of the general purpose financial statements of the Fire Company for the years ending December 31, 1985 and 1984 I considered its internal control structure in order to determine my procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the Fire Company is responsible for the establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments 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.

For the purposes of this report, we have classified the significant internal control structure policies and procedures in the following categories: cash receipts and cash disbursements.

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed the control risk.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. 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.

I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above. My comments and recommendations about other financial matters which might come to my attention during the audit will be presented on a separate report to management.

This report is intended for the information of the Board of Directors, management and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

  
Justin A. McCreedy, CPA  
Auditor, Louisiana  
June 15, 1994.