

# MANCHAC VOLUNTEER FIRE DEPARTMENT

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1995

### I. Summary of Significant Accounting Policies

The purpose of the Manchac Volunteer Fire Department is to enter into agreements or contracts with nearby communities to provide fire protection or to establish a mutual aid system. The Manchac Volunteer Fire Department is one of the fire departments, located in Tangipahoa Parish, that comprise the Tangipahoa Parish Fire Protection District No.2. Fire Protection District No.2 was created by the Tangipahoa Parish Police Jury on October 20, 1953.

Fire Protection District No.2 receives ad valorem taxes, State revenue sharing, and the 3% fire insurance rebate monies, which are in turn distributed, along with any interest earned, to the individual fire departments, in accordance with an annual agreement.

The accounting policies of the Manchac Volunteer Fire Department (the fire department) conform to generally accepted accounting principles as applicable to nonprofit organizations. The following is a summary of the significant policies:

#### A. Fund Accounting

The accounts of the fire department are maintained in accordance with the principles of fund accounting. The fire department has only one fund. The operation of this fund is accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenses. Following is a brief explanation of the fund included in these financial statements:

##### Current Fund

Unrestricted - The unrestricted fund is used to account for resources currently available over which the fire department has discretionary control to use in carrying on its operations in accordance with the limitations of the charter and bylaws.

#### B. Basis of Accounting

Basis of accounting refers to when income and expenses are recognized. Basis of accounting refers to the timing of the measurements made, regardless of the measurement bases applied.

The fire department's funds are accounted for using an accrual basis. Under this method revenues are recognized when they are earned, and expenses are recognized when they are incurred.

#### C. Donated Materials and Office Space

The council is given use of fire equipment from the Tangipahoa Parish Fire Protection District #2. All assets other than cash, are the property of the Tangipahoa Fire Protection District #2 and/or the Tangipahoa Parish Council.

**MANCHEAC VOLUNTEER FIRE DEPARTMENT**

**NOTES TO THE FINANCIAL STATEMENTS**

*(Continued)*

**DECEMBER 31, 1998**

**B. Federal Income Taxes**

The fire department is exempt from Federal and State income taxes under Section 501 (c)(3) of the Internal Revenue Code.

**E. Related Parties**

The secretary is the wife of the Assistant Fire Chief. There were no transactions noted that involved either person.

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MEMBERS  
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Society of Louisiana CPAs

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

To the Board of Commissioners  
Mandeville Volunteer Fire Department  
P.O. Box 20  
Mandeville, Louisiana 70471

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Mandeville Volunteer Fire Department and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Mandeville Volunteer Fire Department's compliance with certain laws and regulations during the year-ended December 31, 1993 included in the accompanying Louisiana Division Certificate. This agreed-upon procedure's engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures to satisfy 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 materials and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 18:211-2211 (the public bid law).

There were no expenditures for materials or supplies during the year.

**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 42:1181-1124 (the code of ethics), and a list of outside business interest 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 including the noted information.

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

None noted.

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***Adopting***

3. Obtain a copy of the legally adopted budget and all amendments.

The volunteer fire department is not subject to the budget laws.

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

N/A - Not agreed-upon procedure (S) above.

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%.

N/A - Not agreed-upon procedure (S) above.

***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 six of the payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of the documentation supporting each of the six selected disbursements indicated approval from all of the board of commissioners.

***Meetings***

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

The volunteer fire department is not subject to the open meetings laws.

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected all bank deposits for the period under examination and all items of the deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

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*Advances and Advances*

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

None noted.

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 management of the Michoud 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 purposes. However, this report is a matter of public record and its distribution is not limited.



Bruce Harrell and Company, CPAs  
A Professional Accounting Corporation

June 17, 1994

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must be  
kept and filed  
here in file

MANCIBAC VOLUNTEER FIRE DEPARTMENT

COMPILATION REPORT

DECEMBER 31, 1995

95-0118 1-7-96 96  
LEGISLATIVE  
AUDITOR  
OFFICE

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 2-28-96

MANCHELAC VOLUNTEER FIRE DEPARTMENT

COMPILATION REPORT

DECEMBER 31, 1995

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**TRANSMITTAL LETTER**

**ANNUAL FINANCIAL STATEMENTS**

December 31, 1995

Office of Legislative Auditor  
Attention: Ms. Carmen Walker  
1680 North Third  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Ms. Walker:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Marshae Volunteer Fire Department of Tangipahoa Parish as of and for the fiscal year ended December 31, 1995. The report includes all funds under the control and oversight of the fire department. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,



Ms. Carmen Brea  
Marshae Volunteer Fire Department

Enclosure



MANCHAC VOLUNTEER FIRE DEPARTMENT  
MANCHAC, LOUISIANA

ANNUAL SWORN FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1986  
WITH APPROPRIATE SUPPLEMENTAL INFORMATION

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AFFIDAVIT

Personally came and appeared before the undersigned authority, Mr. Carmen Reno, who duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Manchac Volunteer Fire Department as of December 31, 1986, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

Carmen Reno

Signature

Sworn to and subscribed before me this 27<sup>th</sup> day of June, 1986.

Malcolm K. Williams

NOTARY PUBLIC

MALCOLM K. WILLIAMS  
Notary Public, State of Louisiana  
My Commission Expires 12/31/87

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Officer: Mr. Carmen Reno

Address: Post Office Box 20  
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Telephone: (504) 386-8638

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**ACCOUNTANT'S COMPILATION REPORT**

Members of the Manchac Volunteer Fire Department  
Post Office 28  
Manchac, Louisiana 70421

We have compiled the accompanying balance sheet of the Manchac Volunteer Fire Department as of December 31, 1995, and the related statement of support, revenues, and expenses and changes in fund balance, and changes in cash flows, for the year then ended in accordance with the 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.

*Bruce Harrell, CPA*

Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation

June 17, 1996

**MARSHAC VOLUNTEER FIRE DEPARTMENT**

**BALANCE SHEET**

**December 31, 1995**

	<u>1995</u>	
<b>Assets</b>		
Cash	\$	80,800
Ad Valorem Revenues		0,213
State Revenue Sharing		<u>2,836</u>
<b>Total Assets</b>	\$	<u>83,849</u>
<b>Liabilities and Fund Balance</b>		
Accounts Payable	\$	638
Accrued Payroll Tax		<u>57</u>
<b>Total Liabilities</b>		<u>695</u>
<b>Fund Balance, Unrestricted</b>		<u>83,154</u>
<b>Total Liabilities and Fund Equity</b>	\$	<u>83,849</u>

\*See accompanying notes and accountant's compilation report.\*

**MAJORO VOLUNTEER FIRE DEPARTMENT**

**STATEMENT OF SUPPORT, REVENUE, AND EXPENSES AND  
CHANGES IN FUND BALANCE**

**YEAR ENDED December 31, 1990**

<b>Public Support</b>	<u>1990</u>
Allocated by Fire Protection District No.2	\$ 38,528
Donation	<u>23</u>
<b>Total Public Support</b>	<u>38,551</u>
<b>Revenue</b>	
Interest Income	<u>2,554</u>
<b>Total Revenue</b>	<u>2,554</u>
<b>Total Public Support and Revenue</b>	<u>41,105</u>
<b>Expenses</b>	
<b>Supporting Services</b>	
Salaries	5,070
Accounting	1,080
Advertising	25
Bank Charges	60
Copier	125
Equipment Supplies	100
Office Supplies	68
Equipment Repairs and Maintenance	838
Station Supplies	293
Building Repairs & Maintenance	1,808
Payroll Taxes	506
Fuel & Lubricants	247
Telephone	1,049
Utilities	5,894
Insurance	1,488
Capital Expenditures-Equipment	<u>3,182</u>
<b>Total Supporting Services</b>	<u>23,285</u>
<b>Excess of Public Support and Revenue Over Expenses</b>	<u>17,820</u>
<b>Fund Balance, Beginning of Year</b>	<u>60,214</u>
<b>Fund Balance, End of Year</b>	\$ <u>78,034</u>

\*See accompanying notes and accountant's compilation report.\*

**MARCHIAO VOLUNTEER FIRE DEPARTMENT**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED December 31, 1985**

	<u>1985</u>
<b>Cash Flows from Operating Activities</b>	
Excess of Revenues Over Expenses	3 17,040
Adjustments to Reconcile Excess of Revenues Over Expenses to Net Cash Provided by Operating Activities:	
Change in All Valuers' Receivable	(5,000)
Change in Accounts Receivable	189
Change in Accounts Payable	148
Change in State Revenue Sharing Receivable	(2,818)
Change in Accrued Payroll Tax Payable	57
	<u>8,216</u>
Net Cash Provided by Operating Activities	8,216
 Net Increase in Cash and Temporary Cash Investments	 8,216
Cash and Temporary Cash Investments, January 1, 1985	<u>78,089</u>
Cash and Temporary Cash Investments, December 31, 1985	3 <u>86,305</u>

\*See accompanying notes and accountant's compilation report.\*