

TOWN OF WHITE CASTLE VOLUNTEER FIRE DEPARTMENT

White Castle, Louisiana

NOTES TO FINANCIAL STATEMENTS**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Operations**

The Town of White Castle Volunteer Fire Department (the Department) is a non-profit corporation within the meaning of Section 501(c)(14) of the Internal Revenue Code. The purpose of the Department is to provide fire protection, emergency medical service, and hazardous materials handling to the citizens of the Town of White Castle (the Town) and its outlying areas.

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 Department maintains its financial statements and related records on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable and expenses are recognized in the period incurred, if measurable.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and related disclosures of the financial statements. Actual results could differ from these estimates. Estimates are used primarily when accounting for depreciations in these financial statements.

Revenue recognition

The Department is primarily funded by an allocation of dedicated parish-wide sales tax proceeds. Supplementary funding is provided donations solicited from the general public, local businesses, and civic organizations, which are recognized as received.

Income taxes

The Department is a non-profit organization which is exempt from income tax under Section 501(c)(4) of the Internal Revenue Code.

Equipment and depreciation

Equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated service lives of the assets.

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, advances, or gifts.

The Department did not make any bonuses, advances or gifts to any employee.

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 Department and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and takes 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.

Faulk & Whittle, c/c
Certified Public Accountants

Baton Rouge, Louisiana
March 18, 1967

Budget

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

The state budget law does not apply to the Department.

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

The state budget law does not apply to the Department.

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%.

The state budget law does not apply to the Department.

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 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 documentation supporting each of the six selected disbursements indicated approvals from the accountant and the Fire Chief.

Meetings

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

The Department is not subject to the open meetings law.

Debt

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.

The Department's debt is not subject to State Bond Commission approval.



**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Directors
Town of White Castle
Volunteer Fire Department
White Castle, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and summarized below, which were agreed to by the management of the TOWN OF WHITE CASTLE VOLUNTEER FIRE DEPARTMENT'S (the Department) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Department's compliance with certain laws and regulations during the year ended September 30, 1996, included in the Louisiana Attestation Questionnaire. This agreed-upon procedures 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 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).

The Department made no expenditures which were subject to the public bid law.

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.

The Department is not subject to LSA-RS 42:1101-1124 (the code of ethics).

3. Obtain from management a listing of all employees paid during the period under examination.

The Department did not make any payroll disbursements during the year ended September 30, 1996.

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

The Department is not subject to LSA-RS 42:1101-1124 (the code of ethics).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting pronouncements issued but not yet adopted

The Financial Accounting Standards Board issued Financial Accounting Standards No.116 (SFAS 116), "Accounting for Contributions Received and Contributions Made", which established standards for recognizing, expensing or reserving on contributions received and for accounting for collections of works of art, historical treasures, and similar assets acquired by contribution. The effective date of this pronouncement is for fiscal years beginning after December 15, 1995, with earlier application encouraged. The adoption of SFAS 116 is not expected to have a significant impact on the Organization's financial statements.

The Financial Accounting Standards Board also issued Financial Accounting Standards No. 117 (SFAS 117), "Financial Statements of Non-For-Profit Organizations". The objective of this pronouncement is to enhance the relevance, understandability, and comparability of financial statements issued by non-for-profit organizations. This SFAS will require items to be classified based on the existence or absence of donor-imposed restrictions. The effective date for SFAS 117 is for fiscal years beginning after December 15, 1995, with earlier application encouraged. The adoption of SFAS 117 is not expected to have a significant impact on the Organization's financial statements.

NOTE 2 - PROPERTY

A summary of property, related service lives, and accumulated depreciation at September 30, 1996, is as follows:

PROPERTY	Estimated Service Life	1996
Building	38 years	\$ 101,133
Fire truck - pledged	5 years	129,304
Equipment	5 years	<u>21,258</u>
		351,712
Less accumulated depreciation		<u>(159,813)</u>
Property, net of accumulated depreciation		<u>\$ 191,899</u>

NOTE 3 - LONG-TERM DEBT

A summary of long-term debt at September 30, 1996, is as follows:

Note payable in monthly installments of \$2,100,
including interest at 7.19%, maturing in July
2005, secured by a building and a vehicle. \$ 164,375



INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Town of White Castle Volunteer Fire Department
White Castle, Louisiana

We have compiled the accompanying balance sheet of the **TOWN OF WHITE CASTLE VOLUNTEER FIRE DEPARTMENT** as of September 30, 1995, and the related statement of revenues, expenses and changes in fund balance, and cash flows for the year then ended 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.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
March 18, 1997

TOWN OF WHITE CASTLE VOLUNTEER FIRE DEPARTMENT
White Castle, Louisiana

TABLE OF CONTENTS

September 30, 1986

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

FINANCIAL STATEMENTS

Exhibit

Balance Sheet

A

Statement of Revenues, Expenses and Changes in Fund Balance

B

Statement of Cash Flows

C

Notes to Financial Statements

D

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES**

E

NOTE 3 - LONG-TERM DEBT (CONTINUED)

Note payable in monthly installments of \$198, including interest at 7.0%, maturing June 2003, secured by fire equipment.	9,627
Note payable in monthly installments of \$401, including interest at 7.5% maturing July 2001, secured by fire equipment.	<u>19,755</u>
Total debt	29,382
Less current maturities	<u>(19,369)</u>
Long-term portion	<u>\$ 10,013</u>

Future maturities are as follows:

<u>September 30,</u>	<u>Amount</u>
1997	\$ 19,369
1998	20,585
1999	22,039
2000	23,686
2001 and thereafter	<u>308,167</u>
	<u>\$ 393,727</u>

The Department is primarily responsible for payment of the debt; however, the Police Jury has guaranteed the debt. As described in Note 4, the Police Jury, with the Department's consent, makes direct payments of \$2,181 monthly to fund the required debt service payments.

NOTE 4 - RELATED PARTY TRANSACTIONS

Since the Department provides a service which would otherwise be provided by the Town, the Town provides support for the organization. The Town assumes certain costs and provides the facilities used by the Department. The Town provides equipment used by the Department, with an original cost of approximately \$163,822, which is not included in the equipment described in Note 2.

The Town budgets an amount to be expended in the purchase of various supplies for the Department. The amount of such expenditures in 1996 was \$7,149 and is not included in these financial statements.

The Department continues its agreement with the Iberville Parish Police Jury (Police Jury) to receive allocated sales tax proceeds in exchange for providing fire protection to certain areas of the Parish exceeding beyond city limits.

In prior years, the Police Jury has served in an agency capacity by processing the Department's expenditures before remitting the remaining sales tax proceeds to the Department. During 1996, the Police Jury only withheld sales tax proceeds due to the Department for debt service payments as described in Note 3.

TOWN OF WHITE CASTLE VOLUNTEER FIRE DEPARTMENT

White Castle, Louisiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

For the year ended September 30, 1996

(See Accountant's Compilation Report)

	<u>1996</u>
REVENUES	
Saline tax proceeds	\$ 75,188
Fund raising events	1,269
Donations	780
Interest	1,190
Other	<u>381</u>
Total revenues	<u>78,608</u>
EXPENSES	
Supplies	24,233
Depreciation	38,300
Training	12,750
Maintenance	8,257
Office	4,503
Interest	12,600
Other	<u>12,143</u>
Total expenses	<u>139,443</u>
Excess of expenses over revenues	(40,799)
FUND BALANCE	
Beginning of year	<u>84,028</u>
End of year	<u>\$ 43,229</u>

The accompanying notes to the financial statements
are an integral part of this statement.

TOWN OF WHITE CASTLE VOLUNTEER FIRE DEPARTMENT

White Castle, Louisiana

STATEMENT OF CASH FLOWS

For the year ended September 30, 1996

(See Attachment C Compilation Report)

	<u>1996</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Excess of expenses over revenues	(41,765)
Adjustments:	
Depreciation	18,709
Change in operating assets and liabilities	
Dues from Iberville Parish Police Jury	20,041
Accounts and interest payable	<u>(8,749)</u>
Cash provided by operating activities	<u>9,206</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of fixed assets	<u>(22,153)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment on long-term borrowings	(33,621)
Proceeds from long-term debt	<u>30,000</u>
Net cash provided by financing activities	<u>(3,621)</u>
Net decrease in cash	(6,482)
CASH	
Beginning of year	<u>38,073</u>
End of year	<u>\$ 31,591</u>

The accompanying notes to the financial statements
are an integral part of this statement.

8297

**OFFICIAL
FILE COPY**
DO NOT SEND OUT

Official Copy
Taken from the
copy and filed
1987-1-10

RECEIVED
LEGISLATIVE DIVISION
STAFF - J 88 9:05

TOWN OF WHITE CASTLE VOLUNTEER FIRE DEPARTMENT
White Castle, Louisiana

FINANCIAL REPORT
(Complied)

September 30, 1986

Under provisions of state law, this report is a public document. A copy of this report is available to the public, and may be used by other appropriate public officials. This 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: 12-11-1987