

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 employees.

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 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.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
January 8, 1998

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 Vice 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 banks 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 (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, 1993, included in the Louisiana Allegations 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 is solely 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 38:2231-2233 (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, 1993.

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 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 \$183,822, 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 1997 was \$33,599 and is not included in these financial statements.

The Department continues its agreement with the Beeville Parish Police Jury (Police Jury) to receive allocated sales tax proceeds in exchange for providing fire protection to certain areas of the Parish extending 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 1997, the Police Jury only withheld sales tax proceeds due to the Department for debt service payments as described in Note 3.

NOTE 5 - CHANGE IN ACCOUNTING PRINCIPLES

The Department adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 118, *Accounting for Contributions Received and Contributions Made* and No. 117, *Financial Statements of Not-for-Profit Organizations* as of September 30, 1997.

SFAS No. 118 requires the Department to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values.

SFAS No. 117 established standards for general purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows.

As permitted by these new statements, the Department has discontinued the use of fund accounting and has, accordingly, reclassified its financial statements to present the required statement of net assets. This reclassification had no effect on the change in net assets for the current fiscal year.

NOTE 2 - PROPERTY

A summary of property, related service lives, and accumulated depreciation at September 30, 1997, is as follows:

Equipment	Estimated Service Life	1997
Building	30 years	\$ 100,135
Fire truck - pledged	5 years	128,228
Equipment	5 years	<u>76,822</u>
		305,171
Less accumulated depreciation		<u>(132,858)</u>
Property, net of accumulated depreciation		<u>\$ 172,313</u>

NOTE 3 - LONG-TERM DEBT

A summary of long-term debt at September 30, 1997, is as follows:

Notes payable in monthly installments of \$2,001, including interest at 7.15%, maturing in July 2003, secured by a building and a vehicle.	\$ 150,587
Notes payable in monthly installments of \$199, including interest at 7.0%, maturing June 2001, secured by fire equipment.	7,816
Notes payable in monthly installments of \$481, including interest at 7.5% maturing July 2001, secured by fire equipment.	<u>16,301</u>
Total debt	174,704
Less current maturities	<u>(58,520)</u>
Long-term portion	<u>\$ 116,184</u>

Future maturities are as follows:

September 30,	Amount
1998	\$ 20,585
1999	22,140
2000	23,685
2001	24,045
2002 and thereafter	<u>64,171</u>
	<u>\$ 134,626</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.

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)(4) 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

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.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Department is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Department does not have any temporarily or permanently restricted net assets as September 30, 1997.

Estimates

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 depreciation 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 by 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.

TOWN OF WHITE CASTLE VOLUNTEER FIRE DEPARTMENT

White Castle, Louisiana

STATEMENT OF CASH FLOWS

For the year ended September 30, 1997

(See Accountant's Compilation Report)

	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (18,424)
Adjustments to change in net assets:	
Depreciation	33,842
Change in operating assets and liabilities	
Due from Iberville Parish Police Jury	3,064
Accounts and interest payable	<u>(3,471)</u>
Cash provided by operating activities	12,061
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of fixed assets	(4,859)
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment on long-term borrowings	<u>(19,013)</u>
Net decrease in cash	(11,811)
CASH	
Beginning of year	<u>31,581</u>
End of year	<u>\$ 19,770</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 ACTIVITIES

For the year ended September 30, 1997

(See Accountant's Compilation Report)

	<u>1997</u>
REVENUES AND SUPPORT	
Sales tax proceeds	\$ 93,754
Fund raising events	1,380
Donations	620
Interest	380
Other	<u>1,435</u>
Total revenues and support	<u>97,609</u>
EXPENSES	
Supplies	23,232
Depreciation	21,842
Maintenance	20,718
Office	14,833
Training	4,929
Interest	13,324
Other	<u>7,822</u>
Total expenses	<u>115,600</u>
Change in net assets	(18,024)
NET ASSETS	
Beginning of year	<u>43,213</u>
End of year	<u>\$ 25,811</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 FINANCIAL POSITION

September 30, 1997

(See Accountant's Compilation Report)

ASSETS

	<u>1997</u>
CURRENT	
Cash	\$ 19,778
Due from Iberville Parish Police Jury	<u>4,473</u>
Total current assets	24,251
PROPERTY - net	<u>174,312</u>
Total assets	<u>\$ 198,563</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Current portion of long-term debt	\$ 30,505
LONG-TERM DEBT	<u>154,218</u>
Total liabilities	174,744
NET ASSETS - unrestricted	<u>23,811</u>
Total liabilities and net assets	<u>\$ 198,555</u>

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



INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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

We have compiled the accompanying statements of financial position of the **TOWN OF WHITE CASTLE VOLUNTEER FIRE DEPARTMENT** as of September 30, 1997, and the related statement of activities, 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, C.C.
Certified Public Accountants

Baton Rouge, Louisiana
January 9, 1998

TOWN OF WHITE CASTLE VOLUNTEER FIRE DEPARTMENT
White Castle, Louisiana

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

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TOWN OF WHITE CASTLE VOLUNTEER FIRE DEPARTMENT

White Castle, Louisiana

FINANCIAL REPORT
(Compiled)

September 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the Auditor, or reviewed, sent, 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.

Released Date 02/04/98