

8230

RECORDED  
INDEXED

20 JUN 64 AM 31

**OFFICIAL  
FILE COPY**  
**DO NOT SEND OUT**

Check carefully  
before both the  
copy and PLACE  
BACK IN FILE

**GRAND ISLE  
VOLUNTEER FIRE COMPANY #1**

General Purpose Financial Statements

Grand Isle, Louisiana

December 31, 1967

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 Taxon House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUL 01 1968

**GRAND ISLE VOLUNTEER FIRE COMPANY #1**

**General Purpose Financial Statements**

**Grand Isle, Louisiana**

**December 31, 1997**

General Purpose Financial Statements

Grand Isle Volunteer Fire Company #1

Grand Isle, Louisiana

December 31, 1997

**TABLE OF CONTENTS**

	<u>Page No.</u>
<u>Introductory Section</u>	
Title Page .....	i
Table of Contents .....	ii
<u>Financial Section</u>	
Independent Auditor's Report .....	iii
General Purpose Financial Statements: Combined Balance Sheet - All Fund Types and Account Groups - December 31, 1997 .....	1
Statements of Revenues, Expenditures, and Changes in Fund Balance - General Fund For the Years Ended December 31, 1997 and 1996 .....	2
Notes to Financial Statements .....	3
<u>Supplementary Financial Reports Section</u>	
Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u> .....	8
Schedule of Findings and Questions and Costs .....	10
Schedule of Prior-Year Findings .....	12
Management's Corrective Action Plan .....	13

# Bergeron & Lanoux

— CERTIFIED PUBLIC ACCOUNTANTS —  
A PROFESSIONAL CORPORATION

CLAYTON E. BERGERON, CPA  
THOMAS J. LANOUX, CPA  
MICHAEL D. BERGERON, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Grand Isle Volunteer Fire Company #1  
Grand Isle, Louisiana

We have audited the accompanying general purpose financial statements - all fund types and account groups of the Grand Isle Volunteer Fire Company #1 as of December 31, 1997, and the related statements of revenues, expenditures, and changes in fund balances for the two years then ended, as listed in the table of contents. These financial statements are the responsibility of the Fire Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Grand Isle Volunteer Fire Company #1 as of December 31, 1997, and the results of its operations for the two years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated May 22, 1998 on our consideration of the Grand Isle Volunteer Fire Company #1's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

May 22, 1998



**GRAND ISLE VOLUNTEER FIRE COMPANY #1  
GRAND ISLE, LOUISIANA**

Combined Balance Sheet - All Fund Types and Account Groups

December 31, 1997

	Governmental Fund Type General	Account Groups		Total (Memorandum Only)	
		General Fixed Assets	General Long-Term Debt	1997	1996
<b>ASSETS</b>					
Cash and savings deposits	\$ 24,045	\$ -	\$ -	\$ 24,045	\$ 15,512
Certificates of deposit	22,910	-	-	22,910	22,425
Due from the Town of Grand Isle	-	-	-	-	25,000
Deposits	1,609	-	-	1,609	1,609
Buildings	-	244,583	-	244,583	242,977
Firefighting equipment	-	732,842	-	732,842	680,294
Furniture and fixtures	-	15,273	-	15,273	15,842
Land	-	28,800	-	28,800	28,800
Amount to be provided for retirement of general long-term debt	-	-	44,780	44,780	32,634
<b>Total assets</b>	<b>\$ 48,600</b>	<b>\$ 1,022,298</b>	<b>\$ 44,780</b>	<b>\$ 1,213,664</b>	<b>\$ 1,171,133</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>LIABILITIES:</b>					
Capital lease payable	\$ -	\$ -	\$ 44,780	\$ 44,780	\$ 32,634
Payroll taxes payable	2,175	-	-	2,175	3,589
<b>Total liabilities</b>	<b>2,175</b>	<b>-</b>	<b>44,780</b>	<b>46,955</b>	<b>36,223</b>
<b>Fund equity:</b>					
Investment in general fixed assets	-	1,022,298	-	1,022,298	1,078,525
<b>Fund balance:</b>					
Unreserved, undesignated	44,425	-	-	44,425	61,087
<b>Total fund equity</b>	<b>44,425</b>	<b>1,022,298</b>	<b>-</b>	<b>1,066,723</b>	<b>1,139,612</b>
<b>Total liabilities and fund equity</b>	<b>\$ 48,600</b>	<b>\$ 1,022,298</b>	<b>\$ 44,780</b>	<b>\$ 1,213,664</b>	<b>\$ 1,171,133</b>

**GRAND ISLE VOLUNTEER FIRE COMPANY, INC.  
GRAND ISLE, LOUISIANA**

**Statements of Revenues, Expenditures, and  
Changes in Fund Balance - General Fund**

Years Ended December 31, 1997 and 1998

	1997	1998
<b>Revenues:</b>		
<b>Intergovernmental:</b>		
Jefferson Parish		
Contract services	\$ 195,480	\$ 195,580
State of Louisiana:		
Fire Insurance Refunds	1,734	4,700
Town of Grand Isle	6,860	20,000
<b>Miscellaneous:</b>		
Interest income	1,437	1,767
Fund raising income, net	10,793	-
Miscellaneous income	<u>18,433</u>	<u>4,886</u>
<b>Total revenues</b>	<b>281,787</b>	<b>372,763</b>
<b>Expenditures:</b>		
<b>Current:</b>		
<b>Public safety:</b>		
Salaries, wages, and payroll taxes	87,372	95,841
Vehicle repair and maintenance	8,827	14,331
Building upkeep and supplies	13,878	4,283
Conventions and meetings	1,355	1,281
Firefighting training and supplies	8,241	14,843
Insurance	26,880	33,285
Office supplies	883	1,334
Professional fees	4,375	5,760
Radio maintenance	823	844
Telephone	3,881	3,875
Utilities	8,349	8,285
Miscellaneous	1,834	4,733
<b>Capital outlay</b>	<b>83,176</b>	<b>39,881</b>
<b>Debt service:</b>		
Capital lease payments	<u>26,026</u>	<u>31,183</u>
<b>Total expenditures</b>	<b>245,493</b>	<b>395,898</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(63,706)</b>	<b>(23,135)</b>
<b>Other Financial Sources:</b>		
Capital lease purchase	<u>30,284</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(33,422)</b>	<b>(23,135)</b>
<b>Fund balance at beginning of year</b>	<b>81,087</b>	<b>81,284</b>
<b>Fund balance at end of year</b>	<b><u>47,665</u></b>	<b><u>58,149</u></b>

GRAND VOLUNTEER FIRE COMPANY #1  
GRAND ISLE, LOUISIANA

Notes to Financial Statements

1) Reporting Entity

The Grand Isle Volunteer Fire Company #1 (Fire Company) was incorporated on April 25, 1969 as a nonprofit service corporation in the Parish of Jefferson to supervise and control fires and other related hazards in Jefferson Parish, bounded by and including Grand Isle, Cheniere to the Parish Line. The Fire Company is comprised of a twelve member board of directors elected annually by the membership. The board of directors and membership have the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. The report includes all funds of the Fire Company.

2) Summary of Significant Accounting Policies

The accounting and reporting policies of the Fire Company conform to generally accepted accounting principles as applicable to governments based on the legal premise that the Fire Company operates as a quasi-public corporation. A quasi-public corporation is one where the major source of its revenues are public funds.

The following is a summary of certain significant accounting policies:

- a) Financial reporting entity. This report includes all funds and account groups which are controlled by the Fire Company.
- b) Fund accounting. The accounts of the Fire Company are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following fund types and account groups are used by the Fire Company.

Governmental Fund Types

General Fund. The general fund is the general operating fund of the Fire Company. It is used to account for all financial resources devoted to financing the general operations and services of the Fire Company. Intergovernmental revenues from Jefferson Parish for fire protection contract services and station maintenance, and other sources of revenues used to finance the fundamental operations of the Fire Company are included in this fund. The fund is charged with all costs of operating the Fire Company for which a separate fund has not been established.

GRAND ISLE VOLUNTEER FIRE COMPANY #1  
GRAND ISLE, LOUISIANA

Notes to Financial Statements, Continued

General fixed assets. Fixed assets used in governmental fund operations (general fixed assets) are accounted for in the General Fixed Asset Group, rather than in governmental funds. No depreciation has been provided on general fixed assets.

General Long-Term Debt - This group of accounts is established to account for the unretired general obligation indebtedness of the Fire Company expected to be financed from governmental funds.

- c) 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 timing of the measurement made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Revenues are considered "measurable" as follows:

Contract revenues. The Fire Company entered into a contract with the Parish of Jefferson to provide fire protection services to the Fire Protection District No. 9, as discussed in Note 5. Contract revenues are recognized in the fiscal period to be benefited.

Interest Income. Interest income on demand deposits and time deposits is recorded in the accounting period they become susceptible to accrual.

Substantially all other revenues are recorded when received.

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

- d) Receivables. All receivables are recorded at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible.
- e) Fixed Assets. All fixed assets are valued at historical cost, or, if donated, at the estimated fair value at the date donated. Expenditures incurred in connection with equipment and station maintenance are expensed. No interest has been capitalized during 1997 or 1998 and no depreciation has been provided on general fixed assets.



**GRAND ISLE VOLUNTEER FIRE COMPANY #1  
GRAND ISLE, LOUISIANA**

**Notes to Financial Statements, Continued**

- f) Total columns on financial statements-overview. Total columns on the financial statements-overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial condition or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.
- g) Encumbrances. Encumbrance accounting is not utilized by the Fire Company.
- h) Budgetary data. The Fire Company is not required to adopt a budget.
- i) Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

3) Cash and Investments

The Fire Company's by-laws require excess monies to be deposited in interest bearing accounts or certificates in financial institutions domiciled in Jefferson Parish.

At December 31, 1997, all Fire Company unsecured cash and invested cash are fully insured by the FDIC.

4) Changes in General Fixed Assets

A summary of changes in the general fixed assets account groups follows:

	Balance December 31, 1996	1997 Additions	1997 Deletions	Balance December 31, 1997
Buildings	\$ 342,977	\$ 1,906	\$ -	\$ 344,883
Firefighting equipment	690,204	59,508	17,500	722,642
Furniture and fixtures	15,542	1,834	1,908	15,273
Land	39,800	-	-	39,800
<b>Totals</b>	<u>\$ 1,078,523</u>	<u>\$ 63,178</u>	<u>\$ 19,408</u>	<u>\$ 1,122,293</u>

GRAND ISLE VOLUNTEER FIRE COMPANY #1  
GRAND ISLE, LOUISIANA

Notes to Financial Statements, Continued

5) Leases and Long-Term Debt

In June 1997, the Fire Company entered into an agreement to purchase radio equipment under a capital lease for \$30,084. The Fire Company paid \$1,067 as a down payment with the balance of \$29,117, plus interest due in thirty-four equal monthly installments beginning July 30, 1997. The Fire Company shares the radio equipment with Grand Isle Volunteer Emergency Services (GIVES). GIVES reimburses the Fire Company for 50% of the total payments. The amount to be received from GIVES totaling \$17,600 will be recorded on the books of the Fire Company as revenue when received.

The following is a summary of long-term debt transactions for the year ended December 31, 1997:

Lease obligation payable at beginning of year	\$ 30,634
Additions	30,084
Reductions	<u>(15,632)</u>
Lease obligations payable at end of year	<u>\$ 44,786</u>

Future minimum lease payments for the next five years and in the aggregate are as follows:

Year ending	
<u>December 31,</u>	
1998	\$ 23,925
1999	23,925
2000	<u>2,935</u>
	51,785
Less imputed interest	<u>(6,999)</u>
	<u>\$ 44,786</u>

The Fire Company entered into a fifty year lease commencing September 17, 1991 to September 17, 2041 with the Town of Grand Isle to lease a site for use as a fire station. The lease is made for and in consideration of \$1 per year, or \$50, which has been paid in full.

GRAND ISLE VOLUNTEER FIRE COMPANY #1  
GRAND ISLE, LOUISIANA

Notes to Financial Statements, Continued

6) Fire Protection Contract and Economic Dependence

On September 20, 1984, the voters of Jefferson Parish Fire Protection District No. 9 approved a ten (10) mill tax effective January 1, 1984 for a period of ten years to operate and maintain fire protection services. During 1984, the voters of the district approved a renewal of the tax for an additional ten years. Jefferson Parish has contracted with the Fire Company to provide these services to the Fire Protection District No. 9 for a ten year period beginning January 23, 1985. This contract expired on January 23, 1995 and the Fire Company is currently negotiating a new contract with Jefferson Parish. The Fire Company is operating under the terms and conditions of the expired contract until a new contract is executed. The income from this contract accounts for a substantial portion of the Fire Company's revenues.

7) Risk Management

The Fire Company is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. To manage these risks, the Fire Company has obtained coverage from commercial insurance companies. During 1997, there were no claims in excess of insurance coverage.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Grand Isle Volunteer Fire Company #1  
Grand Isle, Louisiana

We have audited the general purpose financial statements of the Grand Isle Volunteer Fire Company #1 as of and for the year ended December 31, 1997 and have issued our report thereon dated May 22, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

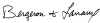
As part of obtaining reasonable assurance about whether Grand Isle Fire Company #1's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Grand Isle Fire Company #1's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk the misstatements 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management and regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Bergson & Adams".

May 22, 1998

**GRAND ISLE VOLUNTEER FIRE COMPANY #1**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 1997**

We have audited the financial statements of the Grand Isle Volunteer Fire Company #1 as of and for the year ended December 31, 1997, and have issued our report thereon dated May 22, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 1997 resulted in an unqualified opinion. We did not issue a separate management letter as a result of this engagement.

**Section I Summary of Auditor's Reports**

**a. Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control		
Material Weakness	___ Yes	<u>XX</u> No
Reportable Conditions	___ Yes	<u>XX</u> No
Compliance		
Compliance Material to Financial Statements	___ Yes	<u>XX</u> No

**b. Federal Awards - (Not applicable)**

Internal Control		
Material Weaknesses	___ Yes	___ No
Reportable Conditions	___ Yes	___ No
Type of Opinion On Compliance For Major Programs	Unqualified ___ Disclaimer ___	Qualified ___ Adverse ___

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

\_\_\_ Yes     \_\_\_ No

- c. **Identification of Major Programs:**

GEDA Number(s)

Name of Federal Program or Cluster

Not applicable

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ Not applicable

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?

Yes  No

Not Applicable

**Section II Financial Statement Findings**

There were none.

**Section III Federal Award Findings and Questioned Costs**

Not Applicable.

GRAND ISLE VOLUNTEER FIRE COMPANY #1  
SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended December 31, 1997

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

There were none.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

Not applicable.

**SECTION III MANAGEMENT LETTER**

No management letter was issued.



**GRAND ISLE VOLUNTEER FIRE COMPANY #1  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
For the Year Ended December 31, 1997**

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT**

No findings were reported which require a response from management.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

Not applicable.

**SECTION III MANAGEMENT LETTER**

No management letter was issued.