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R E P O R T

FOR VOLUNTEER FIRE COMPANY
DECEMBER 31, 1950 AND 1951

This report was prepared by the State Auditor of Missouri, under the provisions of the Missouri Constitution. A copy of this report has been submitted to the Board of Directors, or committee, and to the public accountants of the State. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: 12/31/51



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AS FURTHER LISTED IN THE
2017 FISCAL YEAR REPORT
FINANCIAL STATEMENTS, B.C.F.A.
AND THE
MEMBERSHIP LISTING, B.C.F.A.
MEMBERSHIP

MEMBERSHIP
ASSOCIATION OF PROFESSIONAL
CERTIFIED PUBLIC ACCOUNTANTS
MEMBERSHIP LISTING

INDEPENDENT AUDITOR'S REPORT

February 12, 1998

Board of Directors
MSB Volunteer Fire Company
4048 Highway 90 West
Avondale, LA 70004

We have audited the accompanying statements of financial position of MSB Volunteer Fire Company (a Louisiana nonprofit corporation) for the years ended December 31, 1997 and 1998, and the related statements of activities, functional expenses, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of MSB Volunteer Fire Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards and 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 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. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1 and 2 to the financial statements, the fire company changed its method of accounting for contributions and its method of financial statement presentation in 1998.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MSB Volunteer Fire Company as of December 31, 1997 and 1998, and its changes in net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated February 12, 1998 on our consideration of the MSB Volunteer Fire Company's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Duplantier, Hrapmann, Hogan & Maher L.L.P.

WED VOLUNTEER FIRE COMPANY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 1997 AND 1996

ASSETS	1997	1996
CURRENT ASSETS:		
Cash in banks (Note 1)	\$ 25,428	\$ 25,428
Cash in savings accounts (Note 1)	5,997	6,038
Cash - restricted (Note 2)	27,468	---
Employee advances	---	25
Total current assets	68,903	31,491
PROPERTY AND EQUIPMENT: (Notes 1 and 6)		
Equipment	290,160	290,164
Automobile	24,108	24,108
Capital improvements	58,228	58,375
Furniture and fixtures	13,876	12,437
Total	386,372	384,984
Less: accumulated depreciation	214,458	181,330
Net property and equipment	171,914	203,654
TOTAL ASSETS	\$ 260,817	\$ 235,145
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 6,913	\$ 36,828
Amount held in escrow (Note 6)	27,301	---
Garnishments payable	1,915	748
Capital leases payable (Note 5)	8,732	1,423
Note payable (Note 4)	1,985	1,448
Total current liabilities	47,846	40,447
LONG TERM LIABILITIES:		
Capital leases payable (Note 5)	18,139	1,824
Note payable (Note 4)	164	2,461
Total long-term liabilities	18,303	4,285
Total liabilities	66,149	44,732
NET ASSETS: (Note 2)		
Unrestricted	149,682	98,632
Total net assets	149,682	98,632
TOTAL LIABILITIES AND NET ASSETS	\$ 260,816	\$ 235,145

See accompanying notes.

MOO VOLUNTEER FIRE COMPANY
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 1982 AND 1980

	1982	1980
UNRESTRICTED NET ASSETS:		
Revenues: (Note 1)		
Jefferson Parish contract	\$ 140,800	\$ 304,400
Jefferson Parish monthly subsidy	9,800	9,000
Jefferson Parish quarterly subsidy	4,800	4,000
Jefferson Parish capital improvement revenue	—	9,800
Jefferson Parish station upgrade revenue	60,800	—
Jefferson Parish insurance rebates	7,500	7,500
Miscellaneous revenue	8,500	12,700
Total revenues	<u>337,800</u>	<u>368,400</u>
Expenses:		
Firefighting (Pages 4 and 5)	318,337	316,320
Support services:		
Administrative and general (Pages 4 and 5)	72,484	53,867
Total expenses	<u>390,821</u>	<u>369,807</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u>46,979</u>	<u>29,593</u>
Net assets - beginning of year, as previously reported	98,822	261,431
Prior period adjustment (Note 5)	—	(187,839)
Net assets - beginning of year, as restated	<u>98,822</u>	<u>73,592</u>
NET ASSETS - END OF YEAR	<u>\$ 140,802</u>	<u>\$ 99,822</u>

See accompanying notes.

NEW VOLUNTEER FIRE COMPANY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1997

	EXERCISES	ADMINISTRATIVE AND GENERAL	TOTAL
EXPENSES: (PAGE 1)			
Bank charges	\$ --	\$ 803	\$ 803
Interest expense	---	3,944	3,944
Conventions	2,088	---	2,088
Drinks and snacks	2,632	---	2,632
Dues and fees	268	---	268
Flowers and gifts	414	---	414
Insurance contract	18,868	4,345	23,213
Depreciation	28,846	7,679	36,525
Miscellaneous expense	4,634	1,181	5,795
Office supplies	---	6,509	6,518
Payroll service	---	1,668	1,668
Postage and meter	1,323	360	1,683
Professional services	7,169	2,054	9,213
Telephonic	1,131	308	1,439
Travel	---	4,144	4,144
Utilities	4,182	1,688	5,872
Salaries	141,246	36,368	177,614
Payroll taxes	13,787	3,742	17,529
Insurance employees	10,343	2,813	13,156
Insurance workers' compensation	14,045	4,335	18,381
Auto fuel and oil	3,597	919	4,516
Auto repairs and upkeep	1,337	374	1,711
Boatier gear	8,095	---	8,095
Engine 788	1,848	---	1,848
General maintenance	7,252	---	7,252
Ladder test	154	---	154
Equipment	867	---	867
Printing	1,600	---	1,600
Rescue 788	337	---	337
Repairs - equipment	5,632	---	5,632
Repairs - radio	2,853	---	2,853
Uniforms	11,609	---	11,609
Meals	1,481	---	1,481
Station supplies	6,649	---	6,649
Training awards	294	---	294
Training and supplies	2,580	---	2,580
	<u>\$ 303,913</u>	<u>\$ 83,908</u>	<u>\$ 387,821</u>

See accompanying notes.

WED VOLUNTEER FIRE COMPANY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006

	FIRE-FIGHTING	ADMINISTRATIVE AND GENERAL	TOTAL
EXPENSES: (Note 1)			
Bank charges	\$ --	\$ 573	\$ 573
Interest expense	--	1,000	1,000
Conventions	2,608	--	2,608
Drinks and snacks	875	--	875
Dues and fees	323	--	323
Flowers and gifts	614	126	740
Insurance contract	12,800	2,623	15,423
Depreciation	14,623	2,583	17,207
Miscellaneous expense	4,587	939	5,526
Office supplies	--	4,100	4,100
Payroll service	--	792	792
Postage and meter	488	102	590
Professional services	3,714	761	4,475
Telephone	1,687	223	1,910
Travel	--	300	300
Utilities	7,041	1,448	8,500
Salaries	128,400	27,857	156,257
Payroll taxes	12,015	2,823	14,838
Insurance-employees	13,400	2,744	16,144
Insurance-workers' compensation	12,423	2,544	14,967
Auto fuel and oil	3,027	284	3,311
Auto repairs and upkeep	4,263	892	5,155
Bunker gear	12,585	--	12,585
Engines 778	710	--	710
General maintenance	20,503	--	20,503
Ladder test	126	--	126
Equipment	1,843	--	1,843
Outside labor	937	--	937
Rascal 200	6,000	--	6,000
Repairs - equipment	25,857	--	25,857
Repairs - radio	3,903	--	3,903
Uniforms	1,509	--	1,509
Meals	1,987	--	1,987
Training awards	586	--	586
Training and supplies	7,991	--	7,991
	<u>\$ 318,328</u>	<u>\$ 53,662</u>	<u>\$ 369,990</u>
TOTAL EXPENSES	\$ 318,328	\$ 53,662	\$ 369,990

See accompanying notes.

W&B VOLUNTEER FIRE COMPANY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1992 AND 1991

	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 49,270	\$ 26,488
Adjustments to reconcile increase in net assets to cash provided by operating activities:		
Depreciation	33,325	17,637
(Increase) decrease in employee advances	26	(26)
Increase (decrease) in accounts payable	(30,315)	22,184
Decrease in payroll taxes payable	--	(5,082)
Decrease in IRS taxes payable	--	(52,056)
Decrease in guarantee payable	388	588
Net cash provided by operating activities	<u>53,674</u>	<u>6,753</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of automobile	--	(24,105)
Purchase of capital improvements	(1,158)	(36,875)
Purchase of equipment	(37,558)	(38,408)
Purchase of furniture and fixtures	(588)	(3,871)
Net cash used in investing activities	<u>(39,304)</u>	<u>(103,259)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on note payable	(1,743)	(1,390)
Payments on capital leases	(5,865)	(821)
Net cash used in financing activities	<u>(7,608)</u>	<u>(2,211)</u>
NET INCREASE (DECREASE) IN CASH	5,762	(77,517)
Cash and cash equivalents at beginning of year	<u>30,438</u>	<u>107,955</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 36,200	\$ 30,438

See accompanying notes.

**MOB VOLUNTEER FIRE COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997 AND 1996**

ORGANIZATION:

The fire company was organized as a nonprofit corporation in September of 1993 to provide the citizens in the Seventh Fire Protection District with fire protection and related services. The department is under a month-to-month contract with Jefferson Parish. The majority of the fire company's revenue is derived from this contract. The department also responds to emergencies consisting of floods, hurricanes, etc. The company consists of one fire station.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the fire company's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of Accounting and Presentation:

The fire company's policy is to prepare its financial statements on the accrual basis of accounting. Under that basis, revenues are recognized when earned and expenses are recognized when incurred.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*.

The statement of activities presents expenses of the fire company's operations functionally between program services for firefighting and administrative and general. Those expenses which cannot be functionally categorized are allocated among functions based upon management's estimate of usage applicable to conducting those functions.

Promise To Give:

Gifts are recognized when the donor makes a promise to give to the fire company that is, in substance, unconditional. Gifts that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the gifts are recognized. All other donor-restricted gifts are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Sources Of Revenue:

MOB Volunteer Fire Company is one of five contractual fire companies of the Seventh Fire District, Parish of Jefferson. The Seventh Fire District of the Parish of Jefferson levies an ad valorem tax on assessed property of the district. The sum of this collection is equally divided between the five contractual volunteer fire companies of the district on a monthly pro-rata basis. The monthly allocation to each fire company was \$25,000 and \$25,100 which amounted to \$348,000 and \$356,400 for 1997 and 1996, respectively.

WMB VOLUNTEER FIRE COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997 AND 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Sources Of Revenue: (Continued)

In addition the Parish of Jefferson provides a direct subsidy of \$750 per month per active station and a quarterly subsidy of \$1,000 per station. WMB Volunteer Fire Company presently has one station. This direct subsidy amounts to a total of \$33,000 for each year ended December 31, 1997 and 1996.

The fire company also participates in a fire insurance tax rebate program with Jefferson Parish. Jefferson Parish receives a rebate on the State of Louisiana's two percent (2%) fire insurance tax collected by the Commissioner of Insurance. The State of Louisiana determines the amount to be received by each fire district based on total population served. WMB Fire Company shares equally in the amount received by the Seventh District with each of the other four fire companies. The insurance rebate received during 1997 and 1996 amounted to \$7,500 and \$7,500, respectively.

During 1997 the fire company also received \$50,000 from the Parish of Jefferson for various station upgrades. This amount was a nonrecurring allocation. During 1996 the fire company also received \$5,029 from the Parish of Jefferson as their share of a capital account maintained for improvements to the Seventh Fire District fire fighting equipment.

Property and Equipment:

Property and equipment consists of equipment, an automobile, capital improvements and furniture and fixtures which are all carried at historical cost (See Note 6). All assets are being depreciated over their estimated useful lives of seven years for furniture and fixtures and five years for equipment and the automobile. Furniture and fixtures includes property obtained under a capital lease in the amount of \$26,505 (see Note 5). Furniture and fixtures also includes property acquired under a security agreement in the amount of \$4,500 (see Note 4). Capital improvements to land in the amount of \$28,075 were capitalized and depreciated over the estimated useful life of 15 years. The fire company does not own the land, but is entitled to use of the land under the month to month contract with Jefferson Parish. If the contract with Jefferson Parish is terminated, the net book value of capital improvements would be expensed in the year of termination. Depreciation expense for 1997 and 1996 was \$33,125 and \$17,637, respectively. The fire company did not record depreciation expense prior to 1995 (see Note 6).

Cash and Cash Equivalents:

For purposes of the statement of cash flows, the fire company has defined cash and cash equivalents as all items on the statement of financial position identified as cash in banks and savings accounts. Amounts bearing donor imposed restrictions (see Note 8) are not considered "cash" for purposes of the statement of cash flows.

**WMS VOLUNTEER FIRE COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987 AND 1986**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Supplemental Disclosures of Cash Flow Information:

Cash paid during 1987 and 1986 are as follows:

	1987	1986
Interest	\$3,564	\$1,000
Taxes	--	--

Noncash Investing and Financing Activities:

	1987	1986
Acquisition of Furniture and Fixtures through capital lease (Note 5)	\$ --	\$4,287
Acquisition of Furniture and Fixtures through security agreement (Note 4)	--	4,600
Acquisition of equipment through capital leases (Note 5)	\$2,409	--

Donated Services:

Accounts have not been reflected in the financial statements for donated services. Donated services were not recorded due to the fact that the value of these services was not readily determinable. However, a substantial number of volunteers have donated significant amounts of their time to the fire company's program services.

2. CHANGE IN ACCOUNTING PRINCIPLES:

In 1986, the fire company elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under SFAS No. 117, the fire company is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the fire company is required to present a statement of cash flows. As of December 31, 1987 and 1986, the fire company had only unrestricted net assets.

3. INCOME TAXES:

The fire company was organized as a nonprofit corporation which has not elected tax exempt status.

The fire company has not filed a federal or state tax return for the tax years from the date of its incorporation (1981) through the year ended December 31, 1990. Failure to file tax returns could result in the assessment of penalties by the Internal Revenue Service and State of Louisiana. No provision has been made in the financial statements for such penalties.

WGS VOLUNTARY FIRE COMPANY
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1997 AND 1996

4. NOTE PAYABLE:

On February 13, 1996 the fire company entered into a security agreement for the purchase of a vending machine in the amount of \$4,516. The note which is secured by the vending machine includes an interest rate of 9.75% and requires thirty-six monthly payments of \$147.

Minimum future payments under the note payable are as follows for the years indicated:

YEARS ENDING DECEMBER 31	AMOUNT
1996	\$1,903
1997	264
	<u>\$2,167</u>

The statement of financial position classification is as follows:

	1997	1996
Current portion of note payable	\$1,640	\$1,644
Long term portion of note payable	527	523
	<u>\$2,167</u>	<u>\$2,167</u>

5. CAPITAL LEASES PAYABLE:

On April 9, 1997, the fire company entered into a capital lease to purchase fitness equipment in the amount of \$12,000. The asset and liability under this capital lease are recorded at the present value of the minimum lease payments.

Minimum future lease payments under this lease are as follows:

YEARS ENDING DECEMBER 31	AMOUNT
1998	\$4,420
1999	5,160
Total minimum lease payments	9,580
Less amount representing interest	653
Capital lease payable	<u>\$8,927</u>

On June 2, 1997, the fire company entered into a capital lease to purchase a riding lawn mower in the amount of \$10,428. The asset and liability under this capital lease are recorded at the present value of the minimum lease payments.

NON-VOLUNTARY FIRE COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987 AND 1986

5. CAPITAL LEASES PAYABLE: (Continued)

Minimum future lease payments under this lease are as follows:

<u>YEARS ENDING</u> <u>DECEMBER 31</u>	<u>AMOUNT</u>
1988	\$ 3,925
1989	3,925
2000	2,281
Total minimum lease payments	10,141
Less amount representing interest	(1,200)
Capital lease payable	<u>\$ 8,941</u>

On February 8, 1986, the fire company entered into a capital lease to purchase an ice machine in the amount of \$4,787. The asset and liability under this capital lease are recorded at the present value of the minimum lease payments.

Minimum future lease payments under this lease are as follows:

<u>YEARS ENDING</u> <u>DECEMBER 31</u>	<u>AMOUNT</u>
1988	\$ 1,856
1989	306
Total minimum lease payments	2,162
Less amount representing interest	286
Capital lease payable	<u>\$ 1,876</u>

The statement of financial position classification for all capital leases is as follows:

	1987	1986
Current portion of capital leases payable	\$ 8,772	\$1,405
Long term portion of capital leases payable	16,138	1,804
	<u>\$24,910</u>	<u>\$3,209</u>

6. PRIOR PERIOD ADJUSTMENT:

In prior years (since inception in 1981) the fire company did not record depreciation on its property and equipment. The total amount of depreciation expense not recorded in prior years amounted to \$383,717. In addition, the fire company incorrectly capitalized building and land improvements in prior years. The total amount of building and land improvements that should have been expensed in prior years amounted to \$25,342. The total prior period adjustment as of December 31, 1986 amounted to a decrease in net assets of \$189,659.

WFO VOLUNTEER FIRE COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997 AND 1996

7. 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 those estimates.

8. AMOUNT HELD IN ESCROW:

During 1997, Jefferson Parish authorized the fire company to sell a fire truck owned by the parish. The proceeds of the sale in the amount of \$27,501 are required to be held in escrow and are restricted for the payment of the note on a new fire truck which will be owned by the parish. Restricted cash is recorded on the statement of financial position in the amount of \$27,501.

**WOB VOLUNTEER FIRE COMPANY
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 1993**

February 12, 1998

To the Board of Directors
WOB Volunteer Fire Company

We have audited the financial statements of WOB Volunteer Fire Company (a Louisiana nonprofit organization) as of and for the year ended December 31, 1993, and have issued our report thereon dated February 12, 1998.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to the 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 the WOB Volunteer Fire Company 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. However, we noted certain immaterial instances of noncompliance reported in the following paragraphs.

As noted in the previous year, the fire company has no subsidiary record of its property and equipment to substantiate the cost basis. We recommended the fire company perform an "inventory" of all capitalizable assets. A subsidiary schedule should be maintained reflecting the historical cost of the assets and related accumulated depreciation.

Also as noted in the previous year, the fire company has not filed for exempt status as a nonprofit organization with the Internal Revenue Service. In addition, the fire company has not filed federal or state income tax returns since its inception in 1983 through the year ended December 31, 1993. We recommended the fire company file for exempt status with the Internal Revenue Service and file all tax returns required by the Internal Revenue Service and State of Louisiana.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the WOB Volunteer Fire Company'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 that 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. However, we noted other matters involving the internal control over financial reporting that we have noted in the following paragraphs.

As reported in the previous year, the fire company does not require employees to complete IRS Form W-4 or the state of Louisiana form L-4 for withholding of employee's income taxes. These forms should be completed by the employees and maintained on file at the fire station to avoid any discrepancies with regard to employee's withholding of income taxes.

We also previously reported that the fire company does not complete the Department of Immigration and Naturalization form I-9 for each employee. This form is required to be completed and maintained in a central file at the fire station. Penalties could be assessed by Federal agencies as a result of failure to complete and maintain this form for each employee. We recommend the fire company complete and maintain an I-9 form for each employee.

The fire company does not maintain a subsidiary listing of property and equipment to substantiate the cost basis. This was also noted in our report for the year ended December 31, 1996. The fire company should perform an inventory of all capitalizable assets. A subsidiary schedule should be maintained reflecting the historical cost of the assets and related accumulated depreciation.

Also as noted in the previous year, not all minutes of board of directors' meetings were approved and signed. The minutes should be signed and approved at the next meeting of the board of directors.

During 1998, we noted certain matters involving the internal control structure and its operation which were subsequently corrected. The items are mentioned in the following paragraphs:

We noted that the fire company board approved and paid bonuses to employees in December of 1998, but did not include these amounts in the employee's IRS Form W-2 for 1998 and did not pay the applicable payroll taxes related to this income. Any bonuses paid to employees should be reflected on their Form W-2 and all applicable taxes should be paid by the fire company to avoid the assessment of penalties by federal and state agencies. During 1997, all wages were properly included in the employee's W-2 form.

We also noted that the fire company did not have board minutes for some of the board of directors' meetings held through the year. During 1997, board of directors' meetings were recorded.

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

Duplantier, Hargreaves, Hogan & Parker LLP



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FEBRUARY 15, 1998
58-8888-8856
521-3688

February 15, 1998

Legislative Auditor
Baton Rouge, Louisiana 70804

Dear Sir or Madam:

SCHEDULES AND DATA COLLECTION FORM

Section 1: Summary of Auditor's Reports

A. Financial Statement Audit Opinion

We have audited the financial statements of M&A Volunteer Fire Company as of and for the year ended December 31, 1997 and have issued our report thereon dated February 13, 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 as of December 31, 1997 resulted in an unqualified opinion.

B. Report on Compliance and on Internal Control over Financial Statements

Internal Control:

Material weaknesses - none noted
Reportable conditions - none noted

Compliance:

Noncompliance material to financial statements - none noted

Section 2: Financial Statement Findings

A. Current Year Findings:

There were no current year findings.

B. Prior Year Noncompliance Findings:

- 1) **Property, plant and equipment:** The Fire Company does not have a subsidiary listing of property and equipment to substantiate cost basis.

This was not corrected in 1987. The Fire Company has no response at this time.

- 2) Tax status: The Fire Company has not filed for tax exempt status as a nonprofit organization with the Internal Revenue Service.

This was not corrected in 1990. The Fire Company has no response at this time.

C. Prior Year Findings (Other Matters):

- 1) Wages Paid: A portion of December wages were paid to employees which were not reported to the payroll service. These wages were omitted from the employees W-2's. Also, related payroll taxes were not withheld from the wages.

During 1987 all wages were properly included in employee's W-2's. Also, all wages were properly reported for payroll tax withholding.

- 2) Board Minutes: A summary of board minutes was not recorded for all of the meetings held during the year ended December 31, 1985.

The Fire Company recorded minutes for all meetings held in 1987.

- 3) Payroll Forms: The Fire Company did not have IRS form W-4, the state of Louisiana form L-4, or the Department of Immigration and Naturalization form I-9 completed and maintained for each employee.

The Fire Company has not corrected this as of December 31, 1987. The Fire Company expects to have the necessary forms completed during the year ending December 31, 1988. The files will be kept at the fire station and maintained by the Treasurer, Mark Marine.

- 4) Approval of Board Minutes: The Fire Company did not approve all board minutes.

The Fire Company did not correct this in 1987. The Fire Company will approve all board minutes in the future and record approval of the prior board meeting in the minutes of each meeting. Mark Marine will be responsible for recording the minutes for each meeting.

- 5) Property, Plant and Equipment: The Fire Company does not have a subsidiary listing of property and equipment to substantiate cost basis.

This was not corrected in 1987. Currently, the Fire Company has no response.

Sincerely,

DUPLANTICE, BRAFMAN, BOGAR & FINEB, LLP


Lindsey J. Galt, CPA
Partner