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**TOWN OF WHITE CASTLE VOLUNTEER FIRE DEPARTMENT**  
White Castle, Louisiana

**FINANCIAL REPORT**  
(Compiled)

September 30, 1968

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Release Date ~~SEP 1 9 1968~~

**TOWN OF WHITE CASTLE VOLUNTEER FIRE DEPARTMENT**  
White Castle, Louisiana

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## 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, 1998 and 1997, and the related statements of activities, and cash flows for the years 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.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated December 16, 1998, on the results of our agreed upon procedures.

*Faulk + Winkler LLC*

Certified Public Accountants

Baton Rouge, Louisiana  
December 16, 1998

**TOWN OF WHITE CASTLE VOLUNTEER FIRE DEPARTMENT**  
 White Castle, Louisiana

**STATEMENTS OF FINANCIAL POSITION**

September 30, 1998 and 1997

(Per Accountant's Compilation Report)

	<b>ASSETS</b>	
	<u>1998</u>	<u>1997</u>
<b>CURRENT</b>		
Cash	\$ 13,060	\$ 18,770
Due from Iberville Parish Council	2,961	4,470
	<hr/>	<hr/>
Total current assets	16,021	24,240
<b>PROPERTY - net</b>	<u>161,195</u>	<u>178,312</u>
	<hr/>	<hr/>
Total assets	\$ 177,216	\$ 198,552
	<hr/>	<hr/>
	<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,860	\$ -
Current portion of long-term debt	22,000	28,500
	<hr/>	<hr/>
Total current liabilities	23,860	28,500
<b>LONG-TERM DEBT</b>	<u>131,899</u>	<u>134,218</u>
	<hr/>	<hr/>
Total liabilities	155,759	174,744
<b>NET ASSETS - unrestricted</b>	<u>21,457</u>	<u>23,811</u>
	<hr/>	<hr/>
Total liabilities and net assets	\$ 177,216	\$ 198,552
	<hr/>	<hr/>

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

**TOWN OF WHITE CASTLE VOLUNTEER FIRE DEPARTMENT**  
 White Castle, Louisiana

**STATEMENTS OF ACTIVITIES**

For the year ended September 30, 1998 and 1997

(See Accountant's Compilation Report)

	<u>1998</u>	<u>1997</u>
<b>REVENUES AND SUPPORT</b>		
Sales tax proceeds	\$ 83,350	\$ 91,394
Fund raising events	1,600	1,390
Donations	205	650
Interest	356	380
Other	<u>2,814</u>	<u>1,435</u>
Total revenues and support	<u>87,431</u>	<u>97,689</u>
<b>EXPENSES</b>		
Supplies	13,439	21,332
Depreciation	18,727	21,842
Maintenance	17,290	21,718
Office	13,982	14,695
Training	2,682	4,929
Interest	18,920	13,354
Other	<u>13,887</u>	<u>9,923</u>
Total expenses	<u>89,887</u>	<u>117,033</u>
Decrease in net assets	(2,386)	(10,424)
<b>NET ASSETS</b>		
Beginning of year	<u>23,811</u>	<u>43,235</u>
End of year	<u>\$ 21,413</u>	<u>\$ 29,811</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

**STATEMENTS OF CASH FLOWS**

For the years ended September 30, 1998 and 1997

(Per Accountants' Compilation Report)

	<u>1998</u>	<u>1997</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Decrease in net assets	\$ (2,795)	\$ (79,424)
Adjustments to decrease in net assets:		
Depreciation	19,727	31,842
Change in operating assets and liabilities:		
Due from Iberville Parish Police Council	1,515	1,064
Accounts and interest payable	<u>1,863</u>	<u>(1,421)</u>
Cash provided by operating activities	20,309	(2,061)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	(6,810)	(4,829)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments on long-term borrowings	<u>(28,805)</u>	<u>(19,025)</u>
Net decrease in cash	(6,797)	(11,811)
<b>CASH</b>		
Beginning of year	<u>19,770</u>	<u>31,581</u>
End of year	<u>\$ 12,973</u>	<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

**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)(04) 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 preparation 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 at September 30, 1998 and 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 those 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.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equipment and depreciation**

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

**Accounting changes**

Effective October 1, 1997, the Department made a change in the estimated useful life of its fire truck. These changes were made to better reflect how the assets are expected to be used over time and to provide a better matching of revenues and expenses.

**NOTE 2 - PROPERTY**

A summary of property, related service lives, and accumulated depreciation at September 30, 1998 and 1997, is as follows:

<u>Equipment</u>	<u>Estimated Service Life</u>	<u>1998</u>	<u>1997</u>
Building	30 years	\$ 101,185	\$ 101,185
Fire truck - pledged	10 years	129,399	129,399
Vehicle	5 years	3,875	-
Equipment	5 years	79,185	79,657
		<u>313,749</u>	<u>310,341</u>
Less accumulated depreciation		<u>(152,582)</u>	<u>(133,859)</u>
Property, net of accumulated depreciation		<u>\$ 161,167</u>	<u>\$ 176,482</u>

Certain property is pledged to secure Department debt. See Note 3.

**NOTE 3 - LONG-TERM DEBT**

A summary of long-term debt at September 30, 1998 and 1997, is as follows:

	<u>1998</u>	<u>1997</u>
Note payable in monthly installments of \$2,101, including interest at 7.19%, maturing in July 2005, secured by a building and a vehicle.	\$ 135,734	\$ 130,587
Note payable in monthly installments of \$199, including interest at 7%, maturing June 2003, secured by fire equipment.	5,057	7,888
Note payable in monthly installments of \$401, including interest at 7.5%, maturing July 2003, secured by fire equipment.	<u>12,357</u>	<u>35,381</u>
Total debt	153,998	174,944
Less current maturities	<u>(22,029)</u>	<u>(20,885)</u>
Long-term portion	<u>\$ 131,969</u>	<u>\$ 154,059</u>



**NOTE 3 - LONG-TERM DEBT (CONTINUED)**

Future maturities are as follows:

September 30,	<u>Amount</u>
1999	\$ 22,038
2000	23,689
2001	24,043
2002	99,798
2003 and thereafter	<u>66,372</u>
	<u>\$ 151,938</u>

The Department is primarily responsible for payment of the debt; however, the Iberville Parish Council (Council) has guaranteed the debt. As described in Note 4, the Council, with the Department's consent, makes direct payment of \$2,501 monthly to fund the required debt service payments.

**NOTE 4 - RELATED PARTY TRANSACTIONS**

Since the Department provides a service that would otherwise be provided by the Town, the Town provides support. The Town insures certain costs and provides the facilities and equipment used by the Department. The equipment has 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 1998 and 1999 was \$36,766 and \$32,596, respectively, and is not included in these financial statements.

The Department continues its agreement with the Iberville Parish Council to receive allocated aids tax proceeds in exchange for providing fire protection to certain areas of the Parish extending beyond city limits.



**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 enumerated 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, 1998, included in the Louisiana Attention-Questionnaire. This agreed-upon procedure 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 38:2211-2251 (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 42:1100-1124 (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, 1998.

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).

### **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 invoice amount and made to the invoice issuer.

- (b) determine if payments were coded to the correct general ledger account, and

All of the payments were coded to the correct 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 treasurer 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 banks loans, bonds, or like indebtedness.

The Department did not incur debt during the year ended September 30, 1998.

### **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.

Our prior year report, dated January 9, 1998, did not include any comments or unreserved matters.

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 + Winkler LLC*  
Certified Public Accountants

Baton Rouge, Louisiana  
December 16, 1998

TOWN OF WHITE CASTLE – VOLUNTEER FIRE DEPARTMENT  
P.O. BOX 488  
WHITE CASTLE, LA 70788

September 11, 1998

Frank R. Winkler, LLC  
6811 Jefferson Hwy.  
Baton Rouge, LA 70806

**Conclusion:**

In connection with your compilation of our financial statements as of September 30, 1998, and for the year then ended, and as required by Louisiana Revised Statute 24:511 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations, and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of September 11, 1998.

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2713, and where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ( ) No ( ) N/A (x)

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1105-1124.

Yes ( ) No ( ) N/A (x)

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1988, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes  No  N/A

### **Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:54.

Yes  No  N/A

### **Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:3, 44:31, and 44:36.

Yes  No  N/A

We have filed our annual financial statements in accordance with LSA-RS 24:514, 13:453, and/or 39:52, as applicable.

Yes  No  N/A

We have had our financial statements compiled in accordance with LSA-RS 24:513.

Yes  No  N/A

### **Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes  No  N/A

### **Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section B of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 38:1416.68-1416.69.

Yes  No  N/A

