

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT**  
**DES ALLENANDS, LOUISIANA**

**General Purpose Financial Statements  
and  
Independent Auditor's Report  
As of and for the Year Ended December 31, 2003**

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

Release Date 7-28-04

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**BAYOU SAUVAGE VOLUNTEER FIRE DEPARTMENT, INC.**  
**Des Allemands, Louisiana**

**General Purpose Financial Statements  
and  
Independent Auditor's Report  
As of and for the Year Ended December 31, 2013  
With Supplemental Information Schedules**

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**INDEPENDENT AUDITOR'S REPORT**

**Board of Directors  
Bayou Gauche Volunteer Fire Department, Inc.  
Dee Allmonds, Louisiana**

We have audited the accompanying general purpose financial statements of the Bayou Gauche Volunteer Fire Department, Inc. as of and for the year ended December 31, 2003, as listed in the foregoing table of contents. These financial statements are the responsibility of the management of the Bayou Gauche Volunteer Fire Department, Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and generally accepted governmental auditing standards contained in the Government Auditing Standards - Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the Comptroller General of the United States of America. These 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 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 Bayou Gauche Volunteer Fire Department, Inc. as of December 31, 2003, and the results of operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards generally accepted in the United States of America, we have also issued a report dated June 21, 2004, on our consideration of the Bayou Gauche Volunteer Fire Department, Inc.'s internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grants.

June 21, 2004

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**  
**Des Allemands, Louisiana**

**COMBINED BALANCE SHEET-**  
**ALL FUND TYPES AND ACCOUNT GROUPS**

December 31, 2003

	<u>Governmental Fund Type</u>	<u>Annual Group</u>	<u>Total (Memorandum Only)</u>
	<u>General Fund</u>	<u>General Fixed Assets</u>	
<b>ASSETS</b>			
Cash	\$ 241,382.92	\$ -	\$ 241,382.92
Receivables	8,071.58	-	8,071.58
Fire protection vehicles	-	731,488.98	731,488.98
Equipment	-	282,835.88	282,835.88
Office furniture & equipment	-	32,845.88	32,845.88
Buildings	-	488,516.07	488,516.07
Land	-	24,098.00	24,098.00
<b>Total Assets</b>	<b>\$ 249,464.48</b>	<b>\$ 1,471,884.81</b>	<b>\$ 1,721,349.29</b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities</b>			
Accounts payable	\$ 4,857.84	\$ -	\$ 4,857.84
<b>Total liabilities</b>	<b>\$ 4,857.84</b>	<b>\$ -</b>	<b>\$ 4,857.84</b>
<b>Fund equity and other credits</b>			
Investment in general fixed assets	\$ -	\$ 1,471,884.81	\$ 1,471,884.81
Fund balance:			
Unreserved	244,607.44	-	244,607.44
<b>Total fund equity and other credits</b>	<b>\$ 244,607.44</b>	<b>\$ 1,471,884.81</b>	<b>\$ 1,716,492.25</b>
<b>Total liabilities, fund equity and other credits</b>	<b>\$ 249,464.48</b>	<b>\$ 1,471,884.81</b>	<b>\$ 1,721,349.29</b>

See notes to financial statements.

**RAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC**  
Des Adairands, Louisiana

**COMBINED STATEMENT OF REVENUES, EXPENDITURES  
& FUND BALANCE - GENERAL FUND**

For the one year ended December 31, 2011

<b>REVENUES</b>	
Admission fee	\$ 11,528.00
Sales tax	90,701.94
Fire insurance rebate	4,183.00
Interest	3,194.00
Other revenue	51.00
	<u>109,658.00</u>
Total revenues	\$ 109,658.00
<b>EXPENDITURES</b>	
Current:	
Electricity	\$ 4,193.00
Telephone	2,141.00
Water	141.00
Equipment maintenance	3,844.00
Equipment repair	3,174.01
Fuel	2,488.00
Equipment insurance	4,494.00
Equipment rental & supplies	4,828.07
Building rental & supplies	2,333.00
Building maintenance	2,817.07
Building repair	660.00
Building insurance	4,499.00
Training	3,790.00
Trip	78.00
Personal small equipment	2,400.74
Personal insurance	3,628.24
Fire fighting supplies	888.80
Fire protection	2,881.07
Accounting & auditing	2,850.00
Over	1,092.33
Office expense	1,021.88
Lease expense	880.00
Meetings & conferences	3,248.88
Installation of officers	2,143.00
Meals	589.71
Miscellaneous	587.70
Capital Outlay:	
Equipment purchase	28,011.70
Building improvements	1,288.00
	<u>104,158.00</u>
Total expenditures	\$ 104,158.00
Excess of revenues over expenditures	\$ 5,500.00
<b>OTHER FINANCIAL SOURCES</b>	
Insurance claim	\$ 124.01
	<u>124.01</u>
Total other financing sources	\$ 124.01
Excess of revenues and other financing sources over expenses	\$ 5,624.01
<b>Fund Balance</b>	
Beginning of year	181,730.00
End of year	<u>187,354.01</u>

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.  
DES ALLIEMANDS, LOUISIANA**

**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2003**

**(I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Bayou Gaushe Volunteer Fire Department, Inc. (Fire Department) receives funding from local and state government sources and must comply with the concomitant requirements of these funding source entities. However, the Fire Department is a "primary government" and is not included as a component unit of any other St. Charles Parish governmental "reporting entity" as defined in GASB pronouncements, since the entity is a non-profit corporation, and the board members have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. The Fire Department includes all activities that are controlled by it as a quasi-public non-profit corporation organized to provide fire protection to the Parish of St. Charles. The Fire Department has no component units.

The accounting and reporting policies of the Fire Department conform to generally accepted accounting principles as applicable to governmental units.

**B. Fund Accounting**

The accounts of the Fire Department are organized on the basis of a fund (General Fund) and account groups. A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

**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 the timing of the measurements made, regardless of the measurement focus applied.

The Fire Department records are maintained on a cash basis of accounting. However, the General Fund reported in the accompanying financial statements has been converted to a modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures.

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.,  
DES ALLEMANDS, LOUISIANA**

**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2000**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Revenues**

Sales taxes are recorded in the month the taxes are collected by the St. Charles Parish School Board. Sales taxes become payable to the St. Charles Parish School Board on the first day of the month and become delinquent on the 20th day of the month following incurrence of the taxes by businesses.

Ad valorem taxes are recorded in the year the taxes are collected by the St. Charles Parish Sheriff and are available to the Fire Department. Ad valorem taxes are payable to the Sheriff prior to December 31 and become delinquent after that date.

Interest income on investments is recorded when the investments have matured and income is available.

All other revenues are recorded when received.

The majority of the Fire Department's revenues are derived from the one-eighth of one percent sales tax and the ad valorem tax for operations.

**E. Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which is not recognized until due.

**F. Cash and Cash Equivalents**

The Department is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, and the laws of the United States. The Department may also invest in time certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, these deposits must be secured by the fiscal agent bank. The market value of such pledged securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent. At December 31, 2000, deposited funds were covered by federal deposit insurance and pledged securities.

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.  
DES ALLEMANS, LOUISIANA**

**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2003**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. Cash and Cash Equivalents (continued)**

As of December 31, 2003, cash (book balance) consisted of:

First National Bank "FSA"	
Checking	\$ 69,096.22
Certificates of Deposit	172,306.70
	<u>\$ 241,402.92</u>

**G. Budgets and Budgetary Accounting**

The Fire Department was not required to prepare a budget for the year ended December 31, 2003.

**H. Fixed Assets and Long-Term Liabilities**

Fixed assets used in governmental fund type operations are accounted for in the general fixed assets account group, rather than in the General Fund. No depreciation has been provided on fixed assets.

Fixed assets are valued at historical cost or estimated historical cost if historical cost is not available. The Department has established a capitalization policy of \$400 for equipment having a useful life over one year.

Donated fixed assets are recorded at estimated fair market value at the date of donation.

Long-term liabilities expected to be financed from the general fund are accounted for in the general long-term liabilities account group.

Account groups are self-balancing sets of accounts used to account for and report on certain general fixed assets and certain general long-term debt associated with or arising from the flow of financial resources measurement focus of governmental fund operating statements.



**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.  
DES ALLEMANDS, LOUISIANA**

**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2003**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**1. Total Columns**

Total columns on the financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles.

**(2) SALES TAX REVENUE**

Effective March 1, 1990, sales tax in the amount of one-eighth of one percent is collected by the St. Charles Parish School Board to be used for fire protection of the Parish of St. Charles. The funds are distributed monthly to the nine individual fire departments of the St. Charles Parish Firemen's Association, Inc. by the parish's Department of Finance.

**(3) AD VALOREM TAX**

Effective July 21, 1990, ad valorem tax in the amount of 1.6 mills is collected by the St. Charles Parish Sheriff to be used for the fire protection of the Parish of St. Charles. The funds are distributed when collected to the nine individual fire departments of the St. Charles Parish Firemen's Association, Inc. by the parish's Department of Finance.

**(4) TAX REVENUE RECEIVABLE**

The receivables at December 31, 2003 consisted of sales taxes in the amount of \$8,071.66.

**(5) CHANGES IN GENERAL FIXED ASSETS**

	<u>Balance at</u> <u>12/31/2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>12/31/2003</u>
Fire Protection Vehicles	\$ 731,488.98	\$ -	\$ -	\$ 731,488.98
Equipment	251,690.73	31,345.23	-	282,935.96
Office Furniture & Equipment	24,377.09	8,566.47	-	32,943.56
Buildings	399,191.07	1,355.00	-	400,546.07
Land	24,000.00	-	-	24,000.00
	<u>\$ 1,430,617.87</u>	<u>\$ 41,266.70</u>	<u>\$ -</u>	<u>\$ 1,471,884.57</u>

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.  
DES ALLEMARDS, LOUISIANA**

**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2003**

**(6) LEASES**

On February 23, 2000, the Department entered into a lease with Texaco Exploration and Production, Inc. for the piece of property that the Department has its radio tower on. The lease term is for 5 years at \$550 per year. After 5 years, the lease may be renewed annually at the greater of (1) the rental for the first annual period, or (2) the fair market rent.

**(7) PETTY CASH**

The Fire Department maintains a separate petty cash account. The petty cash account is funded through public functions held by the Fire Department. Expenditures from this petty cash account are for expenses related to the functions. The amount in the petty cash account was not included in the financial statements and was therefore not subjected to the audit procedures of the financial statements.

## **SUPPLEMENTAL INFORMATION SCHEDULES**

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**

**Summary of Schedule of Prior Audit Findings  
As of and for the Year Ended December 31, 2003**

**Ref. No.**

1-02

**Fiscal Year Finding Initially Occurred**

All previous years

**Description of Finding**

**Internal Control Material Weakness.** As a material weakness (and reportable condition), the size of the Bayou Gauche Volunteer Fire Department, Inc.'s operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

**Corrective Action Taken (Yes, No, Partially)**

No

**Planned Corrective Action/Partial Corrective Action Taken**

None

**Additional Explanation**

This is a common reportable condition noted in audits of small entities. The Department's office does not employ enough people in its accounting department to adequately segregate duties such as approving purchase orders, approving invoices for payment, printing checks, recording checks, signing checks, mailing checks, and reconciling bank statements. This is one example of the circumstances that resulted in the reportable condition.

The reportable condition cannot be remedied in a cost effective manner.

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**

**Summary of Schedule of Current Year Audit Findings  
As of and for the Year Ended December 31, 2003**

**Ref. No.**

03-13-01

**Description of Finding**

Internal Control Material Weakness. As a material weakness (and reportable condition), the size of the Bayou Gauche Volunteer Fire Department, Inc.'s operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

**Corrective Action Planned**

No corrective action plan is taken because of the size of the entity.

**Name of Contact Person**

George Forrest, President

**Anticipated Completion Date**

None

**Additional Explanation**

This is a common reportable condition noted in audits of small entities. The Department's office does not employ enough people in its accounting department to adequately segregate duties such as approving purchase orders, approving invoices for payment, printing checks, recording checks, signing checks, mailing checks, and reconciling bank statements. This is one example of the circumstances that resulted in the reportable condition.

The reportable condition cannot be remedied in a cost effective manner.

**OTHER REPORTS REQUIRED BY  
GOVERNMENTAL AUDITING STANDARDS**



**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**

**Board of Directors  
Bayou Gauche Volunteer Fire Department, Inc.  
Des Allemands, Louisiana**

We have audited the general purpose financial statements of the Bayou Gauche Volunteer Fire Department, Inc. as of and for the year ended December 31, 2003, and have issued our report thereon dated June 21, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the Bayou Gauche Volunteer Fire Department, Inc.'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 the Bayou Gauche Volunteer Fire Department, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a single matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the

accompanying corrective action plan for the current year audit findings as item 0312401 on page 11.

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 general purpose 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe the reportable condition described above is a material weakness.

This report is intended solely for the information and use of the Department's Board and those governments for which reporting is required. However, this report is a matter of public record, and its distribution is not limited.



June 21, 2004