

RECEIVED
LEGISLATIVE AUDITOR

04 JUN 25 AM 11:18

BRIDGE CITY VOLUNTEER FIRE CO. #1
BRIDGE CITY, LOUISIANA
ANNUAL FINANCIAL REPORT
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

T A B L E O F C O N T E N T S

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	3
GENERAL PURPOSE FINANCIAL STATEMENTS	
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS	4
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	5
NOTES TO FINANCIAL STATEMENTS	6
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	10

UIZZE, BUTLER, ARCEBIAUX & BOWES

CENTRE PUBLIC ACCOUNTANTS
2407 PULFORD STREET
BRIDGE CITY, LOUISIANA 70301
(504) 631-6661
842,704 26-0407

DOUGLAS L. UIZZE, CPA
(1988 - 1998)
DANIEL BUTLER, CPA
N. PAUL ARCEBIAUX, CPA
MARKER L. BOWES, CPA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To Board of Directors of
Bridge City Volunteer Fire Co. #1
Bridge City, Louisiana

We have audited the accompanying general purpose financial statements of Bridge City Volunteer Fire Co. #1, Bridge City, Louisiana, as of and for the year ended December 31, 2003, as listed in the table of contents. These financial statements are the responsibility of the Volunteer Fire Co.'s management. 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 the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Bridge City Volunteer Fire Co. #1 at December 31, 2003, and the results of its 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, we have also issued our report dated June 3, 2004 on our consideration of Bridge City Volunteer Fire Co. #1's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is listed in the accompanying Table of Contents and is an integral part of our audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Uzze, Butler, Arcebiaux & Bowes

Harvey, Louisiana
June 3, 2004

BRIDGE CITY VOLUNTEER FIRE CO. #1

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 2009

	Governmental Fund Type	Account Group General Fixed Assets	Total Memorandum Only
	General		
ASSETS			
Cash	\$197,888	\$ -0-	\$197,888
Prepaid insurance and taxes	4,985	-0-	4,985
Fixed assets	<u>-0-</u>	<u>456,333</u>	<u>456,333</u>
Total assets	<u>\$197,888</u>	<u>\$456,333</u>	<u>\$654,221</u>
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts payable	\$ 4,239	\$ -0-	\$ 4,239
Pension contributions payable	594	-0-	594
Withheld payroll taxes	63	-0-	63
Accrued salaries	8,900	-0-	8,900
Compensated absences payable	<u>12,663</u>	<u>-0-</u>	<u>12,663</u>
Total liabilities	<u>27,459</u>	<u>-0-</u>	<u>27,459</u>
Equity and other credits:			
Investment in general fixed assets	-0-	456,333	456,333
Fund balance:			
Reserved for prepaid insurance and taxes	4,985	-0-	4,985
Reserved for updating equipment on fire truck #708	43,582	-0-	43,582
Unreserved - undesignated	<u>126,267</u>	<u>-0-</u>	<u>126,267</u>
Total fund balance	<u>174,834</u>	<u>-0-</u>	<u>174,834</u>
Total equity and other credits	<u>174,834</u>	<u>456,333</u>	<u>630,937</u>
Total liabilities, equity and other credits	<u>\$197,888</u>	<u>\$456,333</u>	<u>\$654,221</u>

The accompanying notes are an integral part of this statement.

BRIDGE CITY VOLUNTARY FIRE CO. #1
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year ended December 31, 2003

Revenues:

Intergovernmental:		
From Jefferson Parish:		
Contractual services	\$417,877	
Grants	<u>58,251</u>	\$476,128
Federal grants (FEMA)		3,217
State supplemental pay		23,148
Interest income		847
Donations		586
Miscellaneous		<u>9,718</u>
Total revenues		\$520,235

Other financing source:

Sale of equipment		<u>6,230</u>
Total revenues and other financing source		\$526,465

Expenditures:

Current operating:		
Salaries and related taxes, including state supplemental pay of \$23,148	265,707	
Conventions, conferences and meetings	8,111	
Fees and subscriptions	860	
Fuel	3,946	
Insurance - general	17,889	
Insurance - group hospitalization, dental, disability and life	84,821	
Insurance - worker's compensation	18,837	
Membership activities	3,890	
Miscellaneous	5,029	
Office expense	8,239	
Pension contributions	4,858	
Professional services	4,302	
Public education	1,830	
Repairs and maintenance	13,523	
Training	1,416	
Uniforms	4,339	
Utilities and telephone	22,649	
Capital outlay - purchases of equipment	<u>28,828</u>	
Total expenditures		\$366,321

Excess of revenues and other financing source over expenditures		\$160,144
Fund balance at beginning of year		<u>31,148</u>
Fund balance at end of year		\$191,292

The accompanying notes are an integral part of this statement.

BRIDGE CITY VOLUNTEER FIRE CO. #1

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bridge City Volunteer Fire Co. #1 (the Fire Company) was incorporated under the laws of the State of Louisiana on March 18, 1948 to provide fire protection in Jefferson Parish, Louisiana in an area comprising part of Fire Protection District No. 7 of Jefferson Parish.

Because the Fire Company receives the vast majority of its financial support from the Parish of Jefferson to provide a public service, it is considered a quasi-public entity for financial reporting purposes. Accordingly, the accompanying general purpose financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies applied in the preparation of the accompanying general purpose financial statements are described as follows:

- A. Financial Reporting Entity. The accompanying general purpose financial statements include all funds and account groups which are controlled by the Fire Company. Control is based on application of the criteria established by the GASB for determining the reporting entity. The basic criteria, but not the only, is the ability to exercise oversight responsibility. Oversight responsibility is derived from, among other things, the ability to significantly influence operations. Based on the foregoing criteria, there are no component units which have been combined with the Fire Company to form the reporting entity, nor are there any potential component units which should be combined with the Fire Company to form the reporting entity.
- B. Fund Accounting. For financial reporting the accounts of the Fire Company are organized on a fund and account group basis, each of which is considered a separate accounting entity, with a separate set of self-balancing accounts which comprise the assets, liabilities, fund equity, revenues and expenditures. The Fire Company has only one fund, the General Fund, which is used to account for all of its financial resources.

BRIDGE CITY VOLUNTEER FIRE CO. #1

NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2003

- C. Basis of accounting. The Fire Company's accounting records for its General Fund are maintained on the cash basis of accounting. For financial reporting in accordance with generally accepted accounting principles, the accounting records are converted to the modified accrual basis under which revenues and expenditures are recognized as follows.

Revenues. The Fire Company has a contractual agreement with the Parish of Jefferson under which the Fire Company is to provide fire protection and related services in a specifically designated area of Fire Protection District No. 7. The agreement provides that the Fire Company is to receive from the Parish a sum of money in monthly installments which will represent one-fifth of the net proceeds of the property tax levied annually by Fire Protection District No. 7. The Fire Company also receives from the Parish one-fifth of the 24 fire insurance premium tax which the Parish receives from the State of Louisiana for Fire Protection District No. 7. The proceeds of the property tax (\$409,820) and the 24 fire insurance premium tax (\$10,375) are reported as intergovernmental revenue from contractual services in the accompanying statement of revenues and expenditures. Revenues from contractual services are reported as revenues of the period for which received. All other revenues are reported in the period in which received.

Expenditures. Expenditures are recognized when the related liability is incurred.

- D. On-behalf Payments. Supplemental pay which is paid directly to employees of the Fire Company by the State of Louisiana, Department of Public Safety, are recognized as intergovernmental revenue and salaries expenditure in the year in which paid.
- E. Budget. The Fire Company is not legally required to adopt a budget and a budget was not adopted; therefore, a comparison of actual results with a budget is not presented in the accompanying financial statements.

BRIDGE CITY VOLUNTEER FIRE CO. #1

NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2003

- F. Fixed Assets. Fixed assets are recorded as expenditures (capital outlay) in the General Fund when purchased and are accounted for in the General Fixed Assets Account Group. Purchased fixed assets acquired prior to 1974 are stated at their estimated historical cost of \$ 9,200 as determined by management because historical records do not exist. Purchased fixed assets acquired subsequent to 1973 are stated at historical cost. Land on which the fire station is located is stated at \$28,000 which was its estimated fair value on the date it was donated to the Fire Company. Assets in the General Fixed Assets Account Group are not depreciated.
- G. Compensated Absences. Accumulated annual (vacation) leave is reported in the General Fund because it is expected to be liquidated with expendable available financial resources. An expenditure or liability has not been recorded for accumulated sick leave because it is nonvested.
- H. Total Columns on Combined Balance Sheet. The total column on the combined balance sheet is captioned "memorandum only" to indicate that this information is presented only to facilitate financial analysis. Data in the total column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. CASH

At December 31, 2003, the carrying amount of the Fire Company's bank deposits was \$187,788 and the bank balances were \$198,187. All of the Fire Company's bank deposits are in one local bank and are covered by Federal depository insurance of \$100,000 and a pledge of securities held by the bank which had a market value over \$100,000 at December 31, 2003.

BRIDGE CITY VOLUNTEER FIRE CO. #1

NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2003**3. CHANGES IN GENERAL FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group during the year ended December 31, 2003.

	Balance January 1	Add- itions	Deleti- ons	Balance December 31
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Buildings and Improvements	173,321	-	-	173,321
Equipment	288,828	21,228	21,821	288,235
	\$487,149	\$21,228	\$21,821	\$486,556

4. CONTRIBUTED SERVICES

A significant contribution of time is made by unpaid volunteers to accomplish the purpose for which the Fire Company was established. The value of this contributed time is not included in the accompanying financial statements because it is not susceptible to objective measurement or evaluation.

5. RETIREMENT PLAN

In April 1997, the Fire Company adopted a SIMPLE IRA Retirement Plan for its employees. The plan is a defined contribution salary reduction plan. Under the Plan, the Fire Company matches the employees' salary contributions to the plan up to a limit of 3% of the employees' compensation for the year. The maximum annual contribution by the employee for 2003 was \$4,000. For 2003 the employees' total contributions were \$4,894 and the Fire Company's matched contributions were \$4,838.

LEE, BUTLER, ARCEBAUX & BOWEN

CERTIFIED PUBLIC ACCOUNTANTS
5017 PASCION STREET
BARRINGER, LOUISIANA, 70808
(504) 844-6661
FAC (504) 844-6667

ROBERT L. LEE, CPA
(1938 - 1998)
JAMES L. BUTLER, CPA
W. PAUL ARCEBAUX, CPA
BRUCE L. BOWEN, CPA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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

To Board of Directors of
Bridge City Volunteer Fire Co. #1
Bridge City, Louisiana

We have audited the general purpose financial statements of Bridge City Volunteer Fire Co. #1 as of and for the year ended December 31, 2003, and have issued our report thereon dated June 3, 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 Bridge City Volunteer Fire Co. #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 Bridge City Volunteer Fire Co. #1'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 certain 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 judgement, could adversely affect Bridge City Volunteer Fire Co. # 1's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statement. The reportable condition is described in the following paragraph.

Because of the small size of Bridge City Volunteer Fire Co. #1 and its limited number of personnel it is not feasible to have adequate segregation of duties. One employee writes checks, records cash receipts and cash disbursements, makes the bank deposits and reconciles the bank accounts. This same condition existed in the previous year and was included in our report for the year ended December 31, 2002.

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 and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described in the preceding paragraph is a material weakness.

This report is intended solely for the information and use of the Board of Directors, management, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Wayne Butler, Accountant & Auditor

Harvey, Louisiana
June 3, 2004