
GRAMERCY VOLUNTEER FIRE DEPARTMENT**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 9.1.04

**Postlethwaite & Netterville**

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GRAMERCY VOLUNTEER FIRE DEPARTMENT

FINANCIAL REPORT

DECEMBER 31, 2003



GRAMERCY VOLUNTEER FIRE DEPARTMENT

Financial Report
DECEMBER 31, 2003

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ACCOUNTANTS' COMPILATION REPORT

To the Fire Chief
Gramercy Volunteer Fire Department
Gramercy, Louisiana

We have compiled the accompanying general purpose financial statements of the Gramercy Volunteer Fire Department, Gramercy, Louisiana, as of and for the year ended December 31, 2003, in accordance with the 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 of the Gramercy Volunteer Fire Department. We have not audited or reviewed the accompanying general purpose 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 July 2, 2004, on the results of our agreed-upon procedures.

A handwritten signature in black ink, appearing to read 'Postlethwaite & Netterville'.

July 2, 2004

GRAMERCY VOLUNTEER FIRE DEPARTMENT
ALL FUND TYPES AND ACCOUNT GROUPS

COMBINED BALANCE SHEET
DECEMBER 31, 2003

	Governmental Fund Type	Account Group	Total
	General	General Fixed Assets	(Memorandum Only)
<u>ASSETS</u>			
Cash	\$ 102,323	\$ -	\$ 102,323
Fixed assets	-	74,693	74,693
Total assets	\$ 102,323	\$ 74,693	\$ 177,016
<u>FUND EQUITY</u>			
Investment in general fixed assets	\$ -	\$ 74,693	\$ 74,693
Fund Balance:			
Unreserved - undesignated	102,323	-	102,323
Total equity	\$ 102,323	\$ 74,693	\$ 177,016

See accompanying notes and accountant's compilation report.



GRAMERCY VOLUNTEER FIRE DEPARTMENT
GOVERNMENTAL FUND TYPE - GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2003

REVENUES

Ad valorem taxes	\$ 45,043
Public contributions	19,055
Total revenues	<u>64,098</u>

EXPENDITURES

Public safety	
Auto	3,279
Education	376
Insurance	8,170
Miscellaneous	139
Office expense	807
Repairs and maintenance	566
Capital outlay	74,693
Supplies	153
Telephone	1,087
Uniforms	678
Utilities	2,714
Total expenditures	<u>92,662</u>

EXCESS OF REVENUES
OVER EXPENDITURES

(28,564)

FUND BALANCE

Beginning of year	<u>130,887</u>
End of year	<u>\$ 102,323</u>

See accompanying notes and accountant's compilation report.



GRAMERCY VOLUNTEER FIRE DEPARTMENT

NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2003

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. **Organization**

The Gramercy Volunteer Fire Department (the Fire Department) was created November 4, 1954.

B. **Reporting Entity**

For reporting purposes, the Gramercy Volunteer Fire Department is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (Fire Department), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Gramercy Volunteer Fire Department for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Town to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Fire Department.
2. Organizations for which the Fire Department does not appoint a voting majority but are fiscally dependent on the Town.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, no component units have been identified and, as a result, these financial statements present only financial position and results of operations of the Gramercy Volunteer Fire Department.

GRAMERCY VOLUNTEER FIRE DEPARTMENT

NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2003

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

C. **Basis of Statement Presentation**

The accounting and reporting policies of the Gramercy Volunteer Fire Department conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:514; the *Louisiana Governmental Audit Guide*; and to the industry audit guide, *Audits of State and Local Governmental Units*.

D. **Fund Accounting**

The Fire Department uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The fund of the Fire Department is classified as a governmental fund. Governmental funds account for the Fire Department's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of general fixed assets. The fund presented in the financial statements is described as follows:

Governmental Fund Type

The General Fund is the general operating fund of the Fire Department. It is used to account for all financial resources.

E. **Account Group**

An account group 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. The following account group is not a "fund".

The General Fixed Assets Account Group represents a summary of the fixed assets of the Fire Department. Capital expenditures in the governmental funds are recorded as expenditures of those funds at the time of purchase and are subsequently recorded, at cost, for control purposes in the General Fixed Assets Account Group. In accordance with generally accepted accounting principles for municipalities, depreciation is not recorded on general fixed assets.



GRAMERCY VOLUNTEER FIRE DEPARTMENT

NOTES TO FINANCIAL STATEMENT DECEMBER 31, 2003

F. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financial uses) in net current assets.

Governmental funds are accounted for using the modified accrual basis. Their revenues are recognized in the accounting period in which they become available and measurable. Grant revenues are recorded when the Fire Department is entitled to reimbursement of expenditures under the terms of the grant. Interest earned on idle cash and investments are recorded when the income is available. Other revenue sources are not generally susceptible to accrual because they are not both measurable and available; accordingly, they are recorded when received. Expenditures, other than principal and interest on long-term debt, are recognized in the accounting period in which the liability is incurred, if measurable.

G. Budgetary Policy and Accounting

No annual operating budget is required for the Fire Department.

H. Cash and Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with original maturities of three months or less are cash equivalents.

I. General Fixed Assets

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures (capital outlays) in the governmental fund type when purchased. Fixed assets include buildings and equipment owned by the Fire District and they are valued at historical cost or estimated historical cost, if historical cost is not available. No costs have been estimated because historical cost information was available for all fixed assets. In cases where assets are constructed with borrowed money the interest expense paid on the related debt is capitalized as part of the cost of the asset. No depreciation has been provided on assets in the General Fixed Assets Account Group, nor has any interest been capitalized as part of their cost.

GRAMERCY VOLUNTEER FIRE DEPARTMENT

NOTES TO FINANCIAL STATEMENT

DECEMBER 31, 2003

J. Total Column in the Financial Statements

Certain "total" columns in 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. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. CASH

At December 31, 2003, the Fire Department's cash (book balance) consisted of the following:

	<u>Total</u>
Cash:	
Demand deposit	\$ <u>102,323</u>
Total cash	\$ <u>102,323</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2003, the Fire Department had \$112,135 in deposits (collected bank balances) of these bank balances, \$100,000 was covered by federal depositors insurance, and \$12,135 was uninsured.

3. CHANGES IN FIXED ASSETS

A. A summary of changes in general fixed assets and investment in general fixed assets for the year ended December 31, 2003, are as follows:

<u>General Fixed Assets</u>	<u>Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>
Equipment	\$ -	\$ 5,000	\$ -	\$ 5,000
Fire Station #3	-	69,693	-	69,693
Totals	<u>\$ -</u>	<u>\$ 74,693</u>	<u>\$ -</u>	<u>\$ 74,693</u>



GRAMERCY VOLUNTEER FIRE DEPARTMENT

SCHEDULE OF FINDINGS

DECEMBER 31, 2003

COMPLIANCE FINDINGS

03-1 Uninsured cash

LSA-R.S. 39:1225 requires that the amount of security on deposits shall at all times be equal to one hundred percent of the amount of collected funds on deposit to the credit of the depositing authority except that portion of the deposits insured by any governmental agency insuring bank deposits which is organized under the laws of the United States. The Fire Department had \$12,135 on deposit in a financial institution that was not secured or insured.

03-2 Open meeting law

LSA-R.S. 42:7A(1)(b)(i) requires that all public bodies, except the legislature and its committees and subcommittees, shall give written public notice of any regular, special, or rescheduled meeting no later than twenty-four hours before the meeting. The Fire Department did not give any notice of its meetings.



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**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Fire Chief
Gramercy Volunteer Fire Department
Gramercy, Louisiana
and
To the Legislative Auditor,
State of 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 Gramercy Volunteer Fire Department and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the year ended December 31, 2003, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures 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 \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no purchases that exceed the above.

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.

There are no paid employees or paid public officials of the Gramercy Volunteer Fire Department.

3. Obtain from management a listing of all employees paid during the period under examination.

There are no paid employees of the Gramercy Volunteer Fire Department.

4. Determine whether any of those employees included in the list obtained from management in agreed-upon procedures (3) were also included on the list obtained from management in agreed-upon procedures (2) as immediate family members.

The Gramercy Volunteer Fire Department does not have any employees.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

No budget is required for the Gramercy Volunteer Fire Department.

6. Trace the budget adoption and amendments to the minute book.

No budget is required for the Gramercy Volunteer Fire Department.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceeded budgeted amounts by 5% or more.

No budget is required for the Gramercy Volunteer Fire 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 proper amount and made to the correct payee.

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

All six of the payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

All six payments were approved by the proper authorities.

Meeting:

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 agendas for meetings were not posted or advertised for any meetings.

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.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appear to be proceeds of bank loans, or similar indebtedness.

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.

There are no payroll records. When we read the minutes of the Fire Department's meetings for the year, we did not note the approval to pay any bonuses, advances, or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of any opinion on management's assertion. 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 Gramercy Volunteer Fire Department and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken 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.

Robert M. St. John

July 2, 2004



*Gramercy
Volunteer Fire Dept.
P.O. Box 386
Gramercy, LA 70052*



July 2, 2004

To the Legislative Auditor
Baton Rouge, Louisiana

This letter is in response to the compilation report and attestation report prepared by Postlethwaite & Netterville for the fiscal year ended December 31, 2003. The report detailed two findings that were required to be reported.

Regarding the first finding, the bank account for the department exceeded FDIC insurance limits. We will contact the bank and ask that they insure the account with appropriate investments.

Regarding the second finding, the meeting agendas, dates of the meetings, and times of the meetings will be posted in accordance with LSA-RS 42:1.

This response will be documented in our minutes for our July meeting. Should you need any additional information, please contact me at (225) 869-4145.

Sincerely,

Andy M. Detillier
President and Fire Chief