

GOULD VOLUNTEER FIRE COMPANY NUMBER 2
FINANCIAL REPORT
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 9.1.04

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Independent Accountants' Compilation Report

To the Board of Directors
Gould Volunteer Fire Company No. 2
Gretna, Louisiana

We have compiled the accompanying annual sworn general purpose financial statements of Gould Volunteer Fire Company No. 2 as of and for the year ended December 31, 2003, as required by Louisiana Revised Statutes 24:513, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

These financial statements do not include the separate fund to account for the social activities of the company.

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.

Camnetar & Co.

Camnetar & Co., CPAs
A Professional Accounting Corporation

Gretna, LA
June 25, 2004

FINANCIAL STATEMENTS

**GOULD VOLUNTEER FIRE COMPANY NUMBER 2
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2003**

	<u>GOVERNMENTAL FUND TYPE</u>	<u>ACCOUNT GROUP</u>	<u>TOTAL (MEMORANDUM) ONLY</u>
	<u>GENERAL</u>	<u>GENERAL FIXED ASSETS</u>	
ASSETS			
Cash (including certificates of deposit of \$50,000)	\$ 99,429	\$ 0	\$ 99,429
Due from other funds	363	0	363
Fixed assets	<u>0</u>	<u>284,507</u>	<u>284,507</u>
TOTAL ASSETS	\$ <u>99,792</u>	\$ <u>284,507</u>	\$ <u>384,299</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accrued expenses	\$ <u>4,166</u>	\$ <u>0</u>	\$ <u>4,166</u>
TOTAL LIABILITIES	<u>4,166</u>	<u>0</u>	<u>4,166</u>
Fund Balance			
Undesignated - unreserved	95,626	0	95,626
Investment in fixed assets	<u>0</u>	<u>284,507</u>	<u>284,507</u>
TOTAL FUND BALANCE	<u>95,626</u>	<u>284,507</u>	<u>380,133</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>99,792</u>	\$ <u>284,507</u>	\$ <u>384,299</u>

The accompanying notes and accountants' report are an integral part of this statement.

**GOULD VOLUNTEER FIRE COMPANY NUMBER 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2003**

REVENUES	
Intergovernmental	\$ 344,558
Dues	421
Miscellaneous	4,263
Interest	<u>423</u>
TOTAL REVENUES	<u>349,665</u>
 EXPENDITURES	
Administration expenses	17,139
Insurance	43,914
Fire fighting expenses	28,191
Payroll taxes	16,715
Pension expense	8,418
Radio repairs	294
Salaries	213,309
Utilities	12,341
Building maintenance	<u>4,030</u>
TOTAL EXPENDITURES	<u>344,351</u>
 EXCESS OF REVENUES OVER EXPENDITURES	
	5,314
 FUND BALANCE:	
AT BEGINNING OF YEAR	<u>90,312</u>
AT END OF YEAR	<u>\$ 95,626</u>

The accompanying notes and accountants' report are an integral part of this statement.

**GOULD VOLUNTEER FIRE COMPANY NUMBER 2
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF ACTIVITIES

Gould Volunteer Fire Company Number 2 (a non-profit organization) was established to provide fire fighting within the City of Gretna, Louisiana. In addition, the Organization provides fire code inspections for businesses within the city, as well as fire and rescue training for its members.

Because the Gould Volunteer Fire Company Number 2 received the vast majority of its financial support from the City of Gretna, 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:

FINANCIAL REPORTING ENTITY

The accompanying general purpose financial statements include all governmental funds and account groups, which are controlled by the Gould Volunteer Fire Company Number 2. (A fund maintained by the Company, in order to provide for social activities, is not included in the presentation of these financial statements.) Control is based on application of the criteria established by the GASB for determining the reporting entity. The basic, but not the only criteria, 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 Gould Volunteer Fire Company Number 2 to form the reporting entity, nor are there any potential component units, which should be combined with the Gould Volunteer Fire Company Number 2 to form the reporting entity.

FUND ACCOUNTING

For financial reporting, the accounts of the Gould Volunteer Fire Company Number 2 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 Gould Volunteer Fire Company Number 2 has only one governmental fund, the General Fund, which is used to account for all of its governmental financial resources.

BASIS OF ACCOUNTING

The Gould Volunteer Fire Company Number 2'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:

**GOULD VOLUNTEER FIRE COMPANY NUMBER 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUES

Gould Volunteer Fire Company Number 2 received a majority of its revenues through monthly payments on a contract with the City of Gretna, Louisiana to provide fire-fighting services. These revenues are recorded as Intergovernmental Revenues in the period when they are received. Other revenues are reported in the period in which they are earned.

EXPENDITURES

Expenditures are recognized when the related liability is incurred.

BUDGET

The Gould Volunteer Fire Company Number 2 is not legally required to adopt a budget. The Company did submit a budget to the City of Gretna, Louisiana as required by its contract with the City. Since this budget only covers a portion of the Company's operation, a comparison of actual results with a budget is not presented in the accompanying financial statements.

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.

FIXED ASSETS

Certain fixed assets acquired in recent years are recorded as expenditures (capital outlay) in the General Fund when purchased and are accounted for in the General Fixed Assets Account Group. This only represents recent acquisitions of fixed assets and does not include other assets that are owned by the Company including land, buildings, furniture and equipment.

DONATED SERVICES

The value of donated services is not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time to the Organization's fire fighting.

**GOULD VOLUNTEER FIRE COMPANY NUMBER 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

TOTAL COLUMN 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.

NOTE 2 – CASH

At December 31, 2003, the carrying amount of the Gould Volunteer Fire Company Number 2 bank accounts was \$83,595, which was covered by federal depository insurance (GASB Category 1).

NOTE 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:

	<u>Balance</u> <u>January 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2003</u>
Fire Fighting Equipment & Other Equipment	\$ <u>282,024</u>	\$ <u>2,483</u>	\$ <u>0</u>	\$ <u>284,507</u>

NOTE 4 – PENSION PLAN

Gould Volunteer Fire Company No. 2 has a Simple Retirement Plan established under section 408(p) of the Internal Revenue Code. There are no eligibility requirements. All employees are eligible to participate upon the later of the plan’s effective date or the employee’s date of hire. The plan is a matching contribution plan. The employer contributions for 2003 were \$4,209 and the employee contributions were \$4,209.

NOTE 5 – FIRE FIGHTING EQUIPMENT LEASE

The Gould Volunteer Fire Company No. 2 is being provided with fire fighting equipment by the City of Gretna under a lease for \$1 per year. The company is responsible for maintenance and to maintain insurance on the equipment being leased. The equipment remains the property of the City of Gretna and therefore is not presented in the General Fund Asset Account Group.

COMPLIANCE SECTION

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**Independent Accountants' Report
on Applying Agreed-Upon Procedures**

To the Board of Directors
Gould Volunteer Fire Company No. 2

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Gould Volunteer Fire Company No. 2, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Gould Volunteer Fire Company No. 2's compliance with certain laws and regulations during the period 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.

Federal, State, and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Gould Volunteer Fire Company No. 2's Federal award expenditures for all Federal programs for the fiscal year follow:

Federal Grant Name	Grant Year	CFDA No.	Amount
N/A			
Total Expenditures			

2. For each Federal, state, and local award, we randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

3. For the items selected in procedure 2, we traced the six disbursements 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 proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the six disbursements were properly coded to the correct fund and general ledger account.

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

5. For the items selected in procedure 2, we determined whether the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the accountant and the chairman of the board. In addition, each of the disbursements were traced to the Gould Volunteer Fire Company No. 2's minute book where they were approved by the full board.

6. For the items selected in procedure 2: For state and local awards, we determined whether the disbursements complied with the contract agreement, relating to:

Activities allowed or unallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed. All checks complied with the allowability requirements.

Eligibility

We reviewed the previously listed disbursements for eligibility requirements. All checks complied with the eligibility requirements.

Reporting

We reviewed the previously listed disbursements for reporting requirements. All checks complied with the reporting requirements.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

The six disbursements selected did not include any Federal programs during the period of our review.

Meetings

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Gould Volunteer Fire Company No. 2 is only required to post a notice of each meeting and the accompanying agenda on the door of the Gould Volunteer Fire Company No. 2's office building.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Gould Volunteer Fire Company No. 2 provided comprehensive budgets to the applicable local agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

In the agreed-upon procedures engagement for the year ended December 31, 2003, we reported no comments.

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 Gould Volunteer Fire Company No. 2, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Camnetar & Co.

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A Professional Accounting Corporation

Gretna, LA
June 25, 2004

**GOULD VOLUNTEER FIRE COMPANY NUMBER 2
MANAGEMENT CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2003**

Section I Agreed Upon Procedures

NONE

Section II Management Letter

NONE

**GOULD VOLUNTEER FIRE COMPANY NUMBER 2
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2003**

Section I Agreed Upon Procedures

NONE

Section II Management Letter

NONE