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WESTWEGO VOLUNTEER FIRE COMPANY #1

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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CERTIFIED PUBLIC ACCOUNTANTS

Officers and Members of the  
Westwego Volunteer Fire Company #1  
Westwego, Louisiana

We have compiled the accompanying statement of assets, equity and other credits - cash basis of Westwego Volunteer Fire Company #1, Westwego, Louisiana, as of December 31, 2003 and the related statement of revenues, expenditures, and changes in fund balance - cash basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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 statement and, accordingly, do not express an opinion or any other form of assurance on them.

*Uzee, Butler, Arceneux & Bowes*

Harvey, Louisiana

June 28, 2004

WESTWEGO VOLUNTEER FIRE COMPANY #1

STATEMENT OF ASSETS, EQUITY AND OTHER CREDITS - CASH BASIS  
December 31, 2003

	Governmental <u>Fund Type</u>  <u>General</u>	Account <u>Group</u> <u>General</u> <u>Fixed Assets</u>	Total (Memorandum <u>Only</u> )
ASSETS			
Cash, including \$1,719 in savings account and \$58,411 in certificates of deposit	\$143,893	\$ -0-	\$ 143,893
Fixed assets:			
Land	-0-	18,536	18,536
Buildings and improvements	-0-	177,575	177,575
Equipment	<u>-0-</u>	<u>789,326</u>	<u>789,326</u>
Total assets	<u>\$143,893</u>	<u>\$ 985,437</u>	<u>\$1,129,330</u>
EQUITY AND OTHER CREDITS			
Equity and other credits:			
Investment in general fixed assets	\$ -0-	\$ 985,437	\$ 985,437
Fund balance:			
Reserved	77,946	-0-	77,946
Unreserved - undesignated	<u>65,947</u>	<u>-0-</u>	<u>65,947</u>
Total equity and other credits	<u>\$143,893</u>	<u>\$ 985,437</u>	<u>\$1,129,330</u>

See accompanying notes to financial statements and accountant's report.

WESTWEGO VOLUNTEER FIRE COMPANY #1  
GENERAL FUND

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

Revenues:

Intergovernmental:

City of Westwego subsidies for operation	\$ 35,020	
City of Westwego (2% fire insurance rebate received from state)	32,611	
Parish of Jefferson	40,000	
Federal Grant	<u>163,308</u>	\$270,939

Miscellaneous:

Donations	2,446	
Fundraisers	9,835	
Rents	1,500	
Interest income	2,435	
Other	<u>4,395</u>	<u>20,611</u>

Total revenues

291,550

Expenditures:

Current operating:

Auto & truck expense	1,257	
Awards	2,850	
Conventions	16,919	
Food and beverage	6,294	
Medical	3,488	
Membership social activities	6,119	
Miscellaneous	1,569	
Office expense	6,109	
Professional services	1,185	
Public relations	4,078	
Repairs and maintenance	1,660	
Supplies	22,801	
Telephone	8,108	
Training	6,080	
Uniforms	<u>2,435</u>	90,952

Capital outlay-purchase of equipment

163,593

Total expenditures

254,545

Excess of revenues over expenditures

37,005

Fund balance at beginning of year

106,888

Fund balance at end of year

\$143,893

See accompanying notes to financial statements and accountant's report.

WESTWEGO VOLUNTEER FIRE COMPANY #1

NOTES TO FINANCIAL STATEMENTS  
December 31, 2003

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Westwego Volunteer Fire Company #1 (the Fire Company) was incorporated on December 13, 1922 under the laws of the State of Louisiana to provide fire protection in the City of Westwego, Louisiana. The Fire Company presently maintains and operates five fire stations in the City of Westwego.

Because the Fire Company receives the vast majority of its financial support from the City of Westwego 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 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 financial statements are described as follows:

- A. Reporting Entity. The accompanying 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. The Fire Company is not a component unit of another 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, equity and other credits, revenues and expenditures. The Fire Company has only one fund, the General Fund, which is used to account for all of its financial resources.

WESTWEGO VOLUNTEER FIRE COMPANY #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. Revenues are recorded in the period in which received and expenditures are recorded in the period in which paid.
- D. Budget and Budgetary Accounting. The Fire Company is not legally required to adopt a budget and none was adopted. Therefore, a comparison of actual results with a budget is not presented in the accompanying financial statements.
- E. 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 are recorded at cost or estimated historical cost when actual cost is unavailable. Approximately 58% of the fixed assets categorized as equipment have been recorded at estimated historical costs determined by management based on catalog prices. Donated fixed assets are recorded in the general fixed assets account group at their estimated fair market value at time of acquisition. Assets in the General Fixed Assets Account Group are not depreciated.
- F. Memorandum Only - Total Column. The total column on the statements of assets, equity and other credits 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 condition 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 \$143,893 and the bank balances were \$143,893, all of which was covered by federal depository insurance.



WESTWEGO VOLUNTEER FIRE COMPANY #1

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 2003

3. FIXED ASSETS

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

	<u>LAND</u>	<u>BUILDINGS AND IMPROVEMENTS</u>	<u>EQUIPMENT</u>	<u>TOTAL</u>
Balance, January 1	\$ 18,536	\$177,575	\$ 625,733	\$ 821,844
Additions during year	<u>-0-</u>	<u>-0-</u>	<u>163,593</u>	<u>163,593</u>
Balance, December 31	<u>\$ 18,536</u>	<u>\$177,575</u>	<u>\$ 789,362</u>	<u>\$ 985,437</u>

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. RELATED PARTY TRANSACTIONS

The land on which one of the fire stations is located is leased from the City of Westwego for a period of ninety-nine years beginning September 13, 1954 at a rental of \$1.00 a year.

Several expenditures incurred in operating and maintaining the fire stations, such as salaries, utilities, telephone and fuel for and repair of vehicles and some capital outlays are borne by the City of Westwego and are not included in the accompanying financial statements. These expenditures, which aggregated approximately \$545,000 for the year ended December 31, 2003, are reported as part of the "public safety" expenditures in the financial statements of the City of Westwego. In addition, as part of its unallocated general expenditures, the City of Westwego pays for general insurance, health insurance and pension costs applicable to the Fire Company's employees and its operations.

The City of Westwego also provides to the Fire Company the free use of several fire trucks and other vehicles.



WESTWEGO VOLUNTEER FIRE COMPANY #1

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 2003

6. RESERVED FUND BALANCE

As of December 31, 2003, the reserved fund balance consisted of \$19,766 from a Jefferson Parish grant and \$58,180 from a 2002 FEMA Grant for a total of \$77,946.

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June 28, 2004

Officers and Members  
Westwego Volunteer Fire Company #1

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the officers of the Westwego Volunteer Fire Company #1, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Westwego Volunteer Fire Company #1'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 this 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.

The total local award expenditures for the year ended December 31, 2003 was \$87,865.

The total federal award expenditures for the year ended December 31, 2003 was \$98,558.

2. For each federal, state & local award, we randomly selected 6 disbursements or all of the disbursements in the event there were less than six.
3. For the items selected in procedure 2, we traced the disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the 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 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 disbursements received approval from proper authorities.

Inspection of documentation supporting each of the selected disbursements indicated approval from two of the authorized members of the department.

6. For the items selected in procedure 2, we determined whether the disbursements complied with the grant agreements, relating to:

Activities allowed or unallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed. All were for activities allowed.

Eligibility

We reviewed the previously listed disbursements for eligibility requirements. None of the disbursements related to or violated eligibility requirements.

Reporting

We reviewed the previously listed disbursements for reporting requirements. None of the disbursements related to or violated reporting requirements.

7. For the programs selected for testing in item (2) that have 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.

No programs were closed out during the period.

#### **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 (open meetings law).

Westwego Volunteer Fire Co. is only required to post a notice of each meeting and the accompanying agenda on the door of the Westwego Volunteer Fire Co. #1 fire station. Although management has asserted that such documents were properly posted, we could not find evidence supporting such assertion other than an unmarked copy of the notices and agendas.

**Comprehensive Budget**

9. For all grants exceeding five thousand dollars, we determined whether each applicable federal, state or local grantor agency/agencies were 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.

No grantor agencies required budgets and therefore none was provided.

**Prior Comments and Recommendations**

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

The prior year engagement did not result in any suggestions, recommendations, and/or 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 Westwego Volunteer Fire Co. #1, 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.

*Uzee, Butler, Arceneux & Bowes*

Uzee, Butler, Arceneaux & Bowes  
Certified Public Accountants