

**BALDWIN VOLUNTEER
FIRE DEPARTMENT**
Baldwin, Louisiana

FINANCIAL REPORT

Year Ended December 31, 2003

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(A Corporation of Certified Public Accountants)

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ACCOUNTANT'S REPORT

To the President and Officers
Baldwin Volunteer Fire Department
800 Main Street
Baldwin, LA 70514

We have compiled the accompanying general purpose financial statements of the Baldwin Volunteer Fire Department as of and for the year ended December 31, 2003, as listed in the table of contents, and the accompanying supplementary information on pages 9-11, which is presented only for supplementary analysis purposes, in accordance with Statements 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 and supplementary schedules information that is the representation of the management of the Baldwin Volunteer Fire Department. We have not audited or reviewed the accompanying general purpose financial statements and supplementary information and, accordingly, do not express an opinion or any other form of assurance on them.

Darnall, Sikes & Frederick
A Corporation of Certified Public Accountants

Morgan City, Louisiana
February 10, 2004

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GENERAL PURPOSE FINANCIAL STATEMENTS

BALDWIN VOLUNTEER FIRE DEPARTMENT

All Fund Types And Account Groups

Combined Balance Sheet

December 31, 2003

	Governmental <u>Fund Type</u> General <u>Fund</u>	Account <u>Groups</u> General Fixed <u>Assets</u>	Total (Memorandum Only) <u>Only</u>
ASSETS AND OTHER DEBITS			
Assets:			
Cash and cash equivalents	\$ 55,086	\$ -	\$ 55,086
Fixed assets	<u>-</u>	<u>822,204</u>	<u>822,204</u>
 TOTAL ASSETS AND OTHER DEBITS	 <u>\$ 55,086</u>	 <u>\$ 822,204</u>	 <u>\$ 877,290</u>
EQUITY AND OTHER CREDITS			
Equity and Other Credits:			
Investments in general fixed assets	\$ -	\$ 822,204	\$ 822,204
Fund Balance:			
Unreserved - undesignated	<u>55,086</u>	<u>-</u>	<u>55,086</u>
 TOTAL EQUITY AND OTHER CREDITS	 <u>\$ 55,086</u>	 <u>\$ 822,204</u>	 <u>\$ 877,290</u>

See accompanying notes and accountant's report.

BALDWIN VOLUNTEER FIRE DEPARTMENT

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For The Year Ended December 31, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental	\$ 9,286	\$ 27,999	\$ 18,713
Grant from F.E.M.A.	83,582	83,582	-
Miscellaneous -			
Interest	<u>-</u>	<u>17</u>	<u>17</u>
Total revenues	<u>92,868</u>	<u>111,598</u>	<u>18,730</u>
EXPENDITURES			
Current operating -			
Advertising	-	468	(468)
New equipment and equipment repair	84,252	88,841	(4,589)
Dues and subscriptions	-	1,161	(1,161)
Education, conferences and seminars	8,616	2,455	6,161
Miscellaneous	-	500	(500)
Office supplies	-	303	(303)
Supplies	-	630	(630)
Taxes - licenses	<u>-</u>	<u>5</u>	<u>(5)</u>
Total expenditures	<u>92,868</u>	<u>94,363</u>	<u>(1,495)</u>
Revenues over expenditures	-	17,235	17,235
FUND BALANCE, beginning	<u>37,851</u>	<u>37,851</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 37,851</u>	<u>\$ 55,086</u>	<u>\$ 17,235</u>

See accompanying notes and accountant's report.

BALDWIN VOLUNTEER FIRE DEPARTMENT

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Baldwin Volunteer Fire Department was formed to provide fire protection services to the citizens of Baldwin, Louisiana. The department is governed by officers elected by the members of the department.

Reporting Entity

The Baldwin Volunteer Fire Department is a non-profit corporation. It is a legally separate entity. However, due to the fact that the Baldwin Volunteer Fire Department receives its facilities and some of its financing from the Town of Baldwin, Louisiana, the Baldwin Volunteer Fire Department is considered a related organization to the Town of Baldwin, Louisiana.

Fund Accounting

The 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 set of self-balancing accounts. On the other hand, 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.

Basis Accounting

The general purpose financial statements of the Baldwin Volunteer Fire Department have been prepared in conformity with generally accepted accounting principles (GAAP) 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.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the general purpose financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are accounted for using a flow of current financial resources measurement focus. The accompanying general purpose financial statements have been prepared on the modified accrual basis of accounting. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. All major revenues are susceptible to accrual.

BALDWIN VOLUNTEER FIRE DEPARTMENT

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not employed by the Department.

Cash and Interest-Bearing Deposits

Under state law, the Department may 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, or the laws of the United States. The Department may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2003, the Department has cash and interest-bearing deposits (book balances) totaling \$55,086, as follows:

Demand deposits	<u>\$ 55,086</u>
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These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the 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 bank. Deposit balances (bank balances) at December 31, 2003, are secured as follows:

Bank balances	<u>\$ 55,662</u>
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Federal deposit insurance	<u>\$ 55,662</u>
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Fixed Assets

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Estimated amounts are immaterial in relation to total fixed assets.

BALDWIN VOLUNTEER FIRE DEPARTMENT

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Total Columns

Total columns are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations 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 date.

Use of Estimates

The preparation of the general purpose financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the general purpose financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

NOTE 3 GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>1/1/2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2003</u>
Equipment	<u>\$ 737,601</u>	<u>\$ 84,603</u>	<u>\$ -</u>	<u>\$ 822,204</u>

NOTE 4 MEMBERS COMPENSATION

During the year ended December 31, 2003, none of the members were compensated for their services to the District.

SUPPLEMENTAL INFORMATION



(A Corporation of Certified Public Accountants)

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INDEPENDENT ACCOUNTANT’S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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To the President and Officers
Baldwin Volunteer Fire Department
Baldwin, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Baldwin Volunteer Fire Department and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Baldwin Volunteer Fire Department's compliance with certain laws and regulations during the year ended December 31, 2003 included in the *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 which 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 \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There are no purchases exceeding \$5,000 and no public works exceeding \$50,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of the department as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all members, as well as their immediate families.

Management provided us with the required list including the noted information.

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

Baldwin Volunteer Fire Department has no paid employees during the year.

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Budgeting

4. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

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

We traced the adoption of the original budget to the minutes of a meeting, which indicated that the budget had been adopted. No amendments were made to the budget during the year.

6. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues did not fail to meet budgeted revenues by 5% or more and actual expenditures did not exceed budgeted expenditures by 5% or more.

Accounting and Reporting

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

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

Inspection of documentation supporting each of the six selected disbursements indicated approval.

Meetings

8. 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).

A notice of each meeting and the accompanying agenda is posted on the door of the meeting place. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion.

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 Baldwin 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.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Morgan City, Louisiana

February 10, 2004

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)

_____ (Date Transmitted)

DARNALL SIKES + FREDERICK, CPA'S
1201 BASSHAW AVENUE
POST OFFICE BOX 2106
MORGAN CITY, LOUISIANA 70381 (Auditors)

In connection with your compilation of our financial statements as of DECEMBER 31, 2003 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

NOTICES POSTED ON FIRE STATION DOOR Yes No []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Yes No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

Journey B. Haydel Secretary 3-3-04 Date
R.E. LeBlanc Treasurer March 03, 2004 Date
Luke B. Blum President March 03, 2004 Date