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WESTWEGO VOLUNTEER FIRE COMPANY #1

FINANCIAL STATEMENTS

DECEMBER 31, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 1 AUG 04 1998

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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, 1998 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 30, 1999

WESTWEGO VOLUNTEER FIRE COMPANY #1

STATEMENT OF ASSETS, EQUITY AND OTHER CREDITS - CASH BASIS
December 31, 1998

	Governmental <u>Fund Type</u> <u>General</u>	Account <u>Group</u> General <u>Fixed Assets</u>	Total (Memorandum Only) <u>Only</u>
ASSETS			
Cash, including \$11,234 in savings account and \$49,320 in certificates of deposit	\$118,495	\$ -0-	\$118,495
Fixed assets:			
Land	-0-	18,536	18,536
Buildings and improvements	-0-	177,575	177,575
Equipment	<u>-0-</u>	<u>563,674</u>	<u>563,674</u>
Total assets	<u>\$118,495</u>	<u>\$759,785</u>	<u>\$878,280</u>
EQUITY AND OTHER CREDITS			
Equity and other credits:			
Investment in general fixed assets	\$ -0-	\$759,785	\$759,785
Fund balance:			
Unreserved - undesignated	<u>118,495</u>	<u>-0-</u>	<u>118,495</u>
Total equity and other credits	<u>\$118,495</u>	<u>\$759,785</u>	<u>\$878,280</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, 1998

Revenues:

Intergovernmental:

City of Westwego subsidies for operation	\$ 29,167	
City of Westwego (2% fire insurance rebate received from state)	<u>24,539</u>	\$ 53,706

Charges for services		225
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Miscellaneous:

Contributions	640	
Drink and vending machine sales	175	
Rents	1,125	
Interest income	2,490	
Other	<u>590</u>	<u>5,020</u>

Total revenues		<u>58,951</u>
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Expenditures:

Current operating:

Conventions, seminars and meetings	7,784	
Food and beverage	2,803	
Membership social activities	2,675	
Mobil phones	216	
Office expense	4,638	
Professional services	1,185	
Public relations	3,027	
Supplies	28,231	
Training	3,386	
Uniforms	2,337	
Miscellaneous	<u>1,649</u>	57,931

Capital outlay - purchases of equipment		<u>5,847</u>
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Total expenditures		<u>63,778</u>
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Excess of revenues over expenditures	(4,827)
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Fund balance at beginning of year	<u>123,322</u>
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Fund balance at end of year	<u>\$118,495</u>
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See accompanying notes to financial statements and accountant's report.

WESTWEGO VOLUNTEER FIRE COMPANY #1

NOTES TO FINANCIAL STATEMENTS
December 31, 1998

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, 1998

- 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, 1998, the carrying amount of the Fire Company's bank deposits was \$113,495 and the bank balances were \$118,495, all of which was covered by federal depository insurance.

3. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group during the year ended December 31, 1998.

	<u>LAND</u>	<u>BUILDINGS AND IMPROVEMENTS</u>	<u>EQUIPMENT</u>	<u>TOTAL</u>
Balance, January 1	\$ 18,536	\$177,575	\$557,827	\$753,938
Additions during year	<u>-0-</u>	<u>-0-</u>	<u>5,847</u>	<u>5,847</u>
Balance, December 31	\$ <u>18,536</u>	\$ <u>177,575</u>	\$ <u>563,674</u>	\$ <u>759,785</u>

WESTWEGO VOLUNTEER FIRE COMPANY #1

NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 1998

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 \$450,000 for the year ended December 31, 1998, 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.

6. YEAR 2000 ISSUE

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations.

The Westwego Volunteer Fire Company # 1 has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary to conducting the fire company's operations. Based on this inventory, the fire company is in the remediation stage for the financial reporting systems. Testing and validation of the systems will need to be completed after the hardware and software are installed.

WESTWEGO VOLUNTEER FIRE COMPANY #1

NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 1998

6. YEAR 2000 ISSUE - continued

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the fire company is or will be year 2000 ready, that the fire company's remediation efforts will be successful in whole or in part, or that parties with whom the fire company does business will be year 2000 ready.

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June 30, 1999

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's #1 compliance with certain laws and regulations during the year ended December 31, 1998 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.

Accounting and Reporting

1. 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

UZEE, BUTLER, ARCENEUX & BOWES

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 approvals from two of the authorized members of the Department.

2. Submission of compilation and attestation report.

Westwego Volunteer Fire Company # 1 did submit the compilation and attestation report within the six month statutory issue date.

Uzee, Butler, Arceneux & Bowes

Uzee, Butler, Arceneux & Bowes
Certified Public Accountant

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

6-30-99 (Date Transmitted)

Westwego VOLUNTEER FIRE Co.

(Auditors)

In connection with your compilation of our financial statements as of 12-31-98 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 6-30-99 (date of completion/respresentation).

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).

Yes No N/A

