MANCHAC VOLUNTEER FIRE DEPARTMENT

ANNUAL FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2008

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 5/27/09

PHIL HEBERT
CERTIFIED PUBLIC ACCOUNTANT
A PROFESSIONAL ACCOUNTING CORPORATION
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Manchac Volunteer Fire Department
Manchac, Louisiana
Annual Financial Statements
As of and for the Year Ended December 31, 2008
Phil Hebert, CPA
A Professional Accounting Corporation

Independent Auditor’s Report

To the Board of Directors
Tangipahoa Parish Rural
Fire Protection District No. 2
Amite, LA 70422

I have audited the accompanying statement of financial position of the Manchac Volunteer Fire Department (a nonprofit corporation) as of December 31, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Fire Department’s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Manchac Volunteer Fire Department as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated March 7, 2009, on my consideration of the Manchac Volunteer Fire Department’s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be considered in conjunction with this report in considering the results of my audit.

Respectfully submitted,

Phil Hebert
Phil Hebert, CPA
A Professional Accounting Corporation

March 7, 2009
Manchac Volunteer Fire Department
Manchac, Louisiana
Statement of Financial Position
December 31, 2008

Assets
Current Assets:
  Unrestricted Assets
    Cash and Cash Equivalents $ 2,363
  Restricted Assets
    Cash and Cash Equivalents 69,418
    Due From Tangipahoa Parish Fire Protection District No. 2 64,849
    Prepaid Insurance 10,314
    Total Current Assets $ 146,944

Liabilities and Net Assets
Current Liabilities:
  Accounts Payable $ 663
  Insurance Payable 2,151
  Total Current Liabilities / Total Liabilities 2,814

Net Assets:
  Unrestricted 2,363
  Temporarily Restricted 141,767
  Total Net Assets 144,130
  Total Liabilities and Net Assets $ 146,944

The accompanying notes are an integral part of this statement.
Manchac Volunteer Fire Department  
Manchac, Louisiana  
Statement of Activities  
For the Year Ended December 31, 2008

<table>
<thead>
<tr>
<th>Revenues and Public Support</th>
<th>Temporarily Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Fire District No. 2 Contract Fees:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ad Valorem Taxes</td>
<td>$</td>
<td>-</td>
<td>$118,850</td>
</tr>
<tr>
<td>State Revenue Sharing</td>
<td>-</td>
<td>13,915</td>
<td>13,915</td>
</tr>
<tr>
<td>Fire Insurance Rebate</td>
<td>-</td>
<td>7,858</td>
<td>7,858</td>
</tr>
<tr>
<td>Reimbursement for Boat Deposit</td>
<td>-</td>
<td>10,800</td>
<td>10,800</td>
</tr>
<tr>
<td>Insurance Reimbursements</td>
<td>-</td>
<td>72,170</td>
<td>72,170</td>
</tr>
<tr>
<td>Other Income</td>
<td>420</td>
<td>-</td>
<td>420</td>
</tr>
<tr>
<td>Interest Income</td>
<td>-</td>
<td>190</td>
<td>190</td>
</tr>
<tr>
<td>Net Assets Released From Restrictions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restriction Satisfied by Payments</td>
<td>152,827</td>
<td>(152,827)</td>
<td>-</td>
</tr>
<tr>
<td>Total Revenues and Public Support</td>
<td>153,247</td>
<td>70,956</td>
<td>224,203</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Temporarily Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting</td>
<td>7,275</td>
<td>-</td>
<td>7,275</td>
</tr>
<tr>
<td>Capital Expenditures, Building</td>
<td>40,334</td>
<td>-</td>
<td>40,334</td>
</tr>
<tr>
<td>Capital Expenditures, Equipment</td>
<td>26,341</td>
<td>-</td>
<td>26,341</td>
</tr>
<tr>
<td>Debt, Principal</td>
<td>5,000</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>Debt, Interest</td>
<td>5,423</td>
<td>-</td>
<td>5,423</td>
</tr>
<tr>
<td>Fuel &amp; Lubricants</td>
<td>9,428</td>
<td>-</td>
<td>9,428</td>
</tr>
<tr>
<td>Insurance</td>
<td>10,466</td>
<td>-</td>
<td>10,466</td>
</tr>
<tr>
<td>Management Fees</td>
<td>1,000</td>
<td>-</td>
<td>1,000</td>
</tr>
<tr>
<td>Medical</td>
<td>2,391</td>
<td>-</td>
<td>2,391</td>
</tr>
<tr>
<td>Meetings</td>
<td>490</td>
<td>-</td>
<td>490</td>
</tr>
<tr>
<td>Message Service</td>
<td>674</td>
<td>-</td>
<td>674</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>1,926</td>
<td>-</td>
<td>1,926</td>
</tr>
<tr>
<td>Pest Control</td>
<td>740</td>
<td>-</td>
<td>740</td>
</tr>
<tr>
<td>Postage &amp; Delivery</td>
<td>83</td>
<td>-</td>
<td>83</td>
</tr>
<tr>
<td>Repairs &amp; Maintenance</td>
<td>23,017</td>
<td>-</td>
<td>23,017</td>
</tr>
<tr>
<td>Fire Station Supplies</td>
<td>4,795</td>
<td>-</td>
<td>4,795</td>
</tr>
<tr>
<td>Social Expense</td>
<td>520</td>
<td>-</td>
<td>520</td>
</tr>
<tr>
<td>Telephone</td>
<td>2,778</td>
<td>-</td>
<td>2,778</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>708</td>
<td>-</td>
<td>708</td>
</tr>
<tr>
<td>Utilities</td>
<td>10,058</td>
<td>-</td>
<td>10,058</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>153,447</td>
<td>-</td>
<td>153,447</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Changes in Net Assets</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets, Beginning</td>
<td>2,563</td>
<td>70,811</td>
<td>73,374</td>
</tr>
<tr>
<td>Net Assets, Ending</td>
<td>$2,363</td>
<td>$141,767</td>
<td>$144,130</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.
Cash Flow From Operating Activities

Changes in Net Assets $ 70,756

Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities
Change in Due From Tangipahoa Parish Fire Protection District No. 2 (32,544)
Change in Prepaid Insurance (4,813)
Change in Accounts Payable (10,002)
Change in Insurance Payable 2,151
Net Cash Provided by Operating Activities 25,548

Net Increase in Cash 25,548
Cash, Beginning of Year 46,233
Cash, End of Year $ 71,781

Reconciliation of Cash and Cash Equivalents to the Statement of Financial Position:
Cash and Cash Equivalents, Unrestricted $ 2,363
Cash and Cash Equivalents, Restricted 69,418
Total Cash and Cash Equivalents $ 71,781

The accompanying notes are an integral part of this statement.
1. Summary of Significant Accounting Policies

A. Nature of the Organization

Manchac Volunteer Fire Department is a nonprofit organization formed to enter into agreements or contracts with nearby communities to provide fire protection and/or establish mutual aid systems. Manchac Volunteer Fire Department is one of the fire departments located in Tangipahoa Parish that comprise Tangipahoa Parish Fire Protection District No. 2. Tangipahoa Parish Fire Protection District No. 2 receives ad valorem taxes, state revenue sharing, and fire insurance rebate monies, which are in turn distributed, along with any interest earned, to the individual fire departments in accordance with an annual service agreement.

B. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Department is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The financial statements of Manchac Volunteer Fire Department have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

C. Support and Revenue

Support consists primarily of appropriations received from Rural Fire Protection District No. 2 from ad valorem taxes, state revenue sharing funds, and fire insurance rebate funds received by the District. Manchac Fire Department received a percentage of the total funds available to Rural Fire Protection District No. 2 based on a formula contained in a contract agreed to by all participating fire departments in Tangipahoa Parish.

D. Fund Accounting

The accounts of the Fire Department are maintained in accordance with the principles of fund accounting whereby resources are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund. Externally restricted funds may only be utilized in accordance with the purposes established by the source.

Revenues received from Tangipahoa Parish Fire Protection District No. 2 are considered to be restricted because under the terms of the contract with the Rural Fire Protection District No. 2 of Tangipahoa Parish these funds “shall be expended solely for the purposes of operating, maintaining and /or purchasing of equipment and supplies..and salaries if approved by the Fire District No. 2.”
E. Cash and Cash Equivalents

Cash includes amounts in interest-bearing demand deposits. Amounts in time deposits and those investments with original maturities of ninety (90) days or less are considered to be cash equivalents.

F. Statement of Cash Flows

For the purpose of the statement of cash flows, all investments, if any with a maturity of ninety (90) days or less from the date of purchase are considered to be cash equivalents.

G. Contributions

The Department accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

H. Promises to Give

Unconditional promises to give, less an allowance for uncollectible amounts, are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

I. Estimates

The preparation of 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 financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.
J. Donated Materials and Facilities

The Department is allowed use of buildings and fire equipment from Tangipahoa Parish Fire Protection District No.2. All assets other than cash are the property of Tangipahoa Parish Fire Protection District No. 2 and/or the Tangipahoa Parish Council.

K. Income Tax Status

The Department is classified as a Section 501 (c) (3) organization under the Federal Internal Revenue Code. As a result, it has been determined to be exempt from federal and state income taxes.

L. Fair Values of Financial Instruments

The Fire Department’s financial instruments, none of which are held for trading purposes, include cash. The following methods and assumptions used by the Fire Department in estimating its fair value disclosures for financial instruments are:

Cash: The carrying amounts reported in the statement of financial position approximate fair value because of the short maturities of those instruments.

2. Cash and Cash Equivalents

At December 31, 2008, the Department had cash and cash equivalents (book balances) totaling $71,781 as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand Deposits</td>
<td>$71,781</td>
</tr>
</tbody>
</table>

Statement of Financial Accounting Standards No. 105 identifies deposits maintained at financial institutions in excess of federally insured limits as a concentration of credit risk requiring disclosure, regardless of the degree of risk. At December 31, 2008, the Department had $73,685 in collected bank balances secured by $100,000 of federal deposit insurance.

3. Receivables

Receivables at December 31, 2008 were as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due From Tangipahoa Parish Fire Protection District No. 2</td>
<td>$64,849</td>
</tr>
</tbody>
</table>

No allowance for uncollectible accounts is required at December 31, 2008.
4. Payables

Payables at December 31, 2008 were as follows:

<table>
<thead>
<tr>
<th>Payable</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$663</td>
</tr>
<tr>
<td>Insurance Payable</td>
<td>$2,151</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,814</strong></td>
</tr>
</tbody>
</table>

5. Net Assets

Net assets at December 31, 2008 were as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>$2,363</td>
</tr>
<tr>
<td>Temporarily</td>
<td>$141,767</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$144,130</strong></td>
</tr>
</tbody>
</table>

6. Donated Services

During the fiscal year ended December 31, 2008, volunteer workers donated their time in support of the District’s activities. The value of this contributed time is not reflected in the accompanying financial statements because no objective basis was available to measure its value.

7. Concentrations of Credit Risk

For the fiscal year ended December 31, 2008, $151,423, of the Department’s gross revenues were derived from funding provided by Tangipahoa Parish Fire Protection District No. 2. Excluding the insurance reimbursements of $72,170, revenue from Tangipahoa Parish Fire Protection District No. 2 was 99.5% of the Department’s total revenue.

8. Subsequent Events

At the date of this audit report the Ponchatoula Volunteer Fire Department is answering fire calls for the Manchac Volunteer Fire Department.
To the Board of Directors
Tangipahoa Parish Rural
Fire Protection District No. 2
Amite, LA 70422

I have audited the financial statements of the Manchac Volunteer Fire Department, (a nonprofit corporation) as of and for the year ended December 31, 2008, and have issued my report thereon dated March 7, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the Manchac Volunteer Fire Department’s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department’s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Manchac Volunteer Fire Department’s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Manchac Volunteer Fire Department's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Manchac Volunteer Fire Department's financial statements that is more than inconsequential will not be prevented or detected by Manchac Volunteer Fire Department's internal control. I consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2008-1 through 2008-7 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Manchac Volunteer Fire Department’s internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I believe that all of the significant deficiencies (2008-1 through 2008-7) described above are material weaknesses.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Manchac Volunteer Fire Department’s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The result of my tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as item 2008-8 through 2008-12.

This report is intended solely for the information and use of management, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Sincerely,

Phil Hebert

Phil Hebert, CPA
A Professional Accounting Corporation
March 7, 2009
I have audited the basic financial statements of the Manchac Volunteer Fire Department as of and for the year ended December 31, 2008, and have issued my report thereon dated March 7, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2008 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control
Material Weaknesses, Yes

Compliance
Non Compliance Material to Financial Statements, Yes

b. Federal Awards
Not applicable

c. Identification of Major Programs
Not applicable

Section II - Financial Statement Findings

Internal Controls

2008-1 Checks written to cash

As a result of my examination, I noted several checks written to cash. In many instances these payments were to individuals who were providing a service to the Fire Department. A hand written or a typed invoice supported the payments.

I recommend that all payments must be payable to the specific vendor.

2008-2 Form W-9 not on file

The purpose of the Form W-9 is to obtain the correct taxpayers' identification number to report income paid to individuals who are not incorporated and in some instances payments to corporations. Manchac Volunteer Fire Department did not have completed Forms W-9 on file.

I recommend that Form W-9 be completed by vendor's providing a service to the Fire Department.

Continued
Manchac Volunteer Fire Department
Manchac, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2008

2008-3 Gas in personal vehicles

As a result of my examination, I noted on some occasions the Fire Chief put gas in his personal vehicle. I was not able to determine the number of times this happened or the dollar amount of the gas used.

I recommend the Fire Chief submit an expense report to the Fire Board to be reimbursed for mileage and other expenses incurred while performing service for Manchac Volunteer Fire Department.

2008-4 Department does not receive itemized gas bills

The Department does not receive itemized gas bills. The Department buys most of its gas and diesel from a local vendor. At the end of each month the vendor submits an invoice with a total to be paid. Sufficient documentation was not available to support the charges.

I recommend the Department request an invoice each time gas or diesel is purchased. The vehicle identification should be listed on the invoice.

2008-5 Two signatures not required on checks

As a result of my examination, I noted many checks had only one signature.

I recommend management consider requiring two signatures on checks, at least those over a specified amount. The use of facsimile signatures should be avoided if at all possible. Review supporting documentation when checks are signed and investigate any discrepancies.

2008-6 Per Diem for meals and lodging

In November of 2007, the Fire Chief and 1st Lieutenant cashed a check for $5,000 and traveled to Costa Mesa, California to purchase a fire boat for the Department. The total cost of the trip was $4,930.55. Lodging totaled $1,844.25 and meals were approximately $690. There was $232.89 that I was not able to identify.

I recommend the Board adopt a policy to pay per diem for meals and lodging.

2008-7 Numerous accounting errors

As a result of my examination, I noted many expenditures incorrectly coded in the general ledger.

A proper description should be written on the check stubs before they are submitted to the accounting firm.
Compliance

2008-8 Failure to issue Forms 1099

Criteria: A payer must use Form 1099-Misc to report payments to persons only when payments are made in the course of a trade or business. For this rule, nonprofit organizations are considered to be engaged in a trade or business and are subject to the reporting requirements. The payer must issue a 1099-Misc to an individual if the payer paid at least $600 in rents or services (including parts and materials).

Condition: The Fire Department paid several vendors more than $600 during the calendar year ending December 31, 2008 for services but did not issue Form 1099 to these vendors.

Cause: Management did not have these vendors complete Form W-9.

Effect: The Department is not in compliance with this reporting requirement and may be subject to penalties.

Recommendation: I recommend that management contact the vendor’s that provided a service to the Fire Department, obtain the correct Taxpayer Identification Number and issue Form 1099.

2008-9 Violation of Agreement with Fire Protection District No. 2

Criteria: Paragraph 1 of the Agreement between Tangipahoa Parish Rural Fire Protection District No. 2 and the Fire Departments states that “prior approval of the Board of Commissioners of Fire District No. 2 must be obtained for any expenditures for salaries and any purchases of real property, or purchases of equipment exceeding $10,000 per invoice.”

Condition: Manchac Fire Department entered into an agreement for the construction of a boat shed in the amount of $20,000 without prior approval of the Board of Commissioners of Fire District No. 2.

Cause: Management stated that it was necessary to have the boat shed built as soon as possible to protect the fire boat.

Effect: The former Fire Chief obtained the quote without prior approval of the Board of Commissioners of Fire District No. 2, therefore violating the agreement with Fire District No. 2.
Recommendation: I recommend management have purchases of $10,000 approved by the Board of Commissioners.

2008-10 Unauthorized Transaction

Criteria: Salaries must be approved by the Board of Commissioners of Fire District No. 2

Condition: The former Fire Chief paid himself $1,000 for manning the firehouse for three weeks during hurricanes Gustav and Ike. He was not a paid fireman. The payment was not approved by the Board of Commissioners. The former Fire Chief was not issued a Form W-2 or Form 1099-Misc. Members of the Commission contend that all salaries must be approved by the Board of Commissioners.

Cause: The former Fire Chief believed he could spend up to $10,000 for salaries in providing emergency services to the residents.

Effect: Members of the Board of Commissioners contend this payment was not authorized.

Recommendation: I recommend the Board of Commissioners seek legal council regarding this matter.

2008-11 Purchase of Alcohol with Public Funds

Criteria: Public funds may not be used to purchase alcohol.

Condition: In November of 2007 the former Fire Chief and 1st Lieutenant traveled to Costa Mesa, California to purchase a fire boat for the fire department. Two of the receipts for meals had purchases of alcohol totaling $43.

Cause: The cause of the purchase is unknown.

Effect: The Fire Department is not in compliance with state laws.

Recommendation: I recommend the Board of Commissioners seek legal council regarding this matter.

2008-12 No Record of Recorded Minutes

Criteria: R.S. 42:7.1 state that “All public bodies shall keep written minutes of all of their open meetings.”

Condition: Management has been unable to produce the minutes for the current year.

Continued
Manchac Volunteer Fire Department  
Manchac, Louisiana  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2008

Cause: The former fire chief said the minutes were submitted to the treasurer upon his resignation. The treasurer has not been able to produce the minutes.

Effect: The board is not in compliance with R.S. 42:7.1.

Recommendation: I recommend management of Manchac Volunteer Fire Department keep written minutes of all of their open meetings.

Concluded
Manchac Volunteer Fire Department  
Manchac, Louisiana  
Management’s Corrective Action Plan  
For the Year Ended December 31, 2008

2008-1 Checks written to cash

Recommendation
I recommend that all payments must be payable to the specific vendor.

Management Response
Tangipahoa Parish Rural Fire District No. 2 does not allow checks written to cash. All fire departments contracting with Rural Fire District No. 2 will be notified that payments must be made to a specific vendor. Person responsible is Tom Tolar, Fire Board President (985) 748-7041.

2008-2 Form W-9 not on file

Recommendation
I recommend that Form W-9 be completed by vendor’s providing a service to the Fire Department.

Management Response
Tangipahoa Parish Rural Fire District No. 2 requires all fire departments contracting with Rural Fire District No. 2 to follow all state and federal tax codes. Person responsible is Tom Tolar, Fire Board President (985) 748-7041.

2008-3 Gas in personal vehicles

Recommendation
I recommend the Fire Chief submit an expense report to the Fire Board to be reimbursed for mileage and other expenses incurred while performing service for Manchac Volunteer Fire Department.

Management Response
Tangipahoa Parish Rural Fire District No. 2 does not allow fire departments contracting with Rural Fire District No. 2 mileage or any other expense for personal vehicles. Person responsible is Tom Tolar, Fire Board President (985) 748-7041.

2008-4 Department does not receive itemized gas bills

Recommendation
I recommend the Department request an invoice each time gas or diesel is purchased. The vehicle identification should be listed on the invoice.

Management Response
Tangipahoa Parish Rural Fire District No. 2 requires all fire departments contracting with Rural Fire District No. 2 to work on a purchase order system. All invoice are required to be itemized for purchases. Person responsible is Tom Tolar, Fire Board President (985) 748-7041.
2008-5 Two signatures not required on checks

Recommendation
I recommend management consider requiring two signatures on checks, at least those over a specified amount. The use of facsimile signatures should be avoided if at all possible. Review supporting documentation when checks are signed and investigate any discrepancies.

Management Response
Tangipahoa Parish Rural Fire District No. 2 requires all fire departments contracting with Rural Fire District No. 2 to have two signatures on all checks. No stamps or facsimile signatures are allowed. Person responsible is Tom Tolar, Fire Board President (985) 748-7041.

2008-6 Per Diem for meals and lodging

Recommendation
I recommend the Board adopt a policy to pay per diem for meals and lodging.

Management Response
Tangipahoa Parish Rural Fire District No. 2 requires that all departments on business trips will follow all laws pertaining to state and federal per diem for business reasons. Person responsible is Tom Tolar, Fire Board President (985) 748-7041.

2008-7 Numerous accounting errors

Recommendation
A proper description should be written on the check stubs before they are submitted to the accounting firm.

Management Response
Tangipahoa Parish Rural Fire District No. 2 will comply with auditor’s recommendation. Person responsible is Tom Tolar, Fire Board President (985) 748-7041.

2008-8 Failure to issue Forms 1099

Recommendation
I recommend that management contact the vendor’s that provided a service to the Fire Department, obtain the correct Taxpayer Identification Number and issue Form 1099.

Management Response
Tangipahoa Parish Rural Fire District No. 2 requires all fire departments contracting with Rural Fire District No. 2 to follow all state and federal tax code procedures such as issuing Form 1099. Person responsible is Tom Tolar, Fire Board President (985) 748-7041.
Manchac Volunteer Fire Department
Manchac, Louisiana
Management’s Corrective Action Plan
For the Year Ended December 31, 2008

2008-9 Violation of Agreement with Fire Protection District No. 2

Recommendation
I recommend management have purchases of $10,000 approved by the Board of Commissioners.

Management Response
Any purchase of $10,000 or more need prior approval from the Board of Commissioners of Tangipahoa Parish Rural Fire District No. 2. Person responsible is Tom Tolar, Fire Board President (985) 748-7041.

2008-10 Unauthorized Transaction

Recommendation
I recommend the Board of Commissioners seek legal council regarding this matter.

Management Response
Tangipahoa Parish Rural Fire District No. 2 requires all fire departments contracting with Rural Fire District No. 2 to have prior approval of all salaries. Person responsible is Tom Tolar, Fire Board President (985) 748-7041.

2008-11 Purchase of Alcohol with Public Funds

Recommendation
I recommend the Board of Commissioners seek legal council regarding this matter.

Management Response
Tangipahoa Parish Rural Fire District No. 2 does not allow for the purchase of alcohol with public funds. Person responsible is Tom Tolar, Fire Board President (985) 748-7041.

2008-12 No Record of Recorded Minutes

Recommendation
I recommend management of Manchac Volunteer Fire Department keep written minutes of all of their open meetings.

Management Response
Tangipahoa Parish Rural Fire District No. 2 requires all Fire Departments to keep written minutes of all of their open meetings. Person responsible is Tom Tolar, Fire Board President (985) 748-7041.