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MARRERO - ESTELLE VOLUNTEER FIRE  
COMPANY NO. 1  
MARRERO, LOUISIANA  
ANNUAL FINANCIAL REPORT  
DECEMBER 31, 2004

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 7-13-05

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## INDEPENDENT AUDITOR'S REPORT

To Board of Directors of  
Marrero - Estelle Volunteer Fire Company No. 1  
Marrero, Louisiana

We have audited the accompanying basic financial statements of Marrero - Estelle Volunteer Fire Company No. 1, Marrero, Louisiana, as of and for the year ended December 31, 2004, as listed in the table of contents. These basic financial statements are the responsibility of the Volunteer Fire Company's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our 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 we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Marrero - Estelle Volunteer Fire Company No. 1 at December 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2005 on our consideration of Marrero - Estelle Volunteer Fire Company No. 1's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is listed in the accompanying Table of Contents and is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Managements Discussion and Analysis on pages 3 through 5, respectively, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information on page 18 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Uzee, Butler, Arceneux & Bowes*

Harvey, Louisiana

June 20, 2005

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MANAGEMENT'S DISCUSSION AND ANALYSIS

## MARRERO - ESTELLE VOLUNTEER FIRE COMPANY NO. 1

### Management's Discussion & Analysis (Unaudited)

In this section of the Fire Company's annual financial report management provides a narrative discussion and analysis of the financial activities of the Fire Company, for the year ended December 31, 2004.

#### FINANCIAL HIGHLIGHTS

Compared to previous years:

- Program and general revenues are up approximately \$52,000, or about 5%.
- Expenditures at the governmental fund level are up approximately \$153,000, or about 14%.
- Expenditures at the governmental fund level exceeded revenues by \$85,668. In previous year revenues exceeded expenditures by \$15,283.
- Unrestricted net assets at year-end decreased by \$85,668 , or about 39%, resulting from the excess of expenditures over revenues.

The major change in revenues was an increase of \$50,583 in contractual distributions received from Jefferson Parish.

The major increases (decreases) in expenditures at the governmental fund level were as follows:

Salaries and related taxes	\$ 70,901
Miscellaneous expenditures	(13,650)
Professional fees	(13,426)
Capital outlay	106,577
Principal payments on long-term debt	(31,609)

#### OVERVIEW OF FINANCIAL STATEMENTS

Under governmental accounting standards, the Fire Company was required to adopt *Governmental Accounting Standards Board Statement No. 34* effective for its fiscal year beginning in 2004. Under such standards, financial statements must be presented on a government-wide basis in addition to the usual fund basis statements. As explained in the notes to the financial statements, the measurement focus basis is different for each category.

The government-wide financial statements provide both long-term and short-term information about the Fire Company's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector. Full accrual basis is employed and depreciation is recorded as an element of expenses.

The fund financial statements report short-term accountability focusing on the use of spendable resources available at year-end. The Fire Company has only one fund, its General Fund.

MARRERO - ESTELLE VOLUNTEER FIRE COMPANY NO. 1

Management's Discussion & Analysis (Unaudited) (Continued)

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

FINANCIAL ANALYSIS OF THE FIRE COMPANY (*dollars are in thousands*)

The Fire Company's net assets at year-end were \$1,298,643 of which \$135,473 was unrestricted. The following table provides a summary of the Fire Company's net assets.

	<u>Governmental Activities</u>	<u>Percentage</u>
<b>Assets:</b>		
Current assets	\$ 216,823	14%
Capital assets, net of depreciation	<u>1,336,422</u>	<u>86%</u>
Total assets	<u>1,553,245</u>	<u>100%</u>
<b>Liabilities:</b>		
Current liabilities	81,350	32%
Non-current liabilities	<u>173,252</u>	<u>68%</u>
Total liabilities	<u>254,602</u>	<u>100%</u>
<b>Net assets:</b>		
Investment in capital assets	1,163,170	90%
Unrestricted	<u>135,473</u>	<u>10%</u>
Total net assets	<u>\$ 1,298,643</u>	<u>100%</u>

Changes in net assets are presented in the following summary:

	<u>Governmental Activities</u>	<u>Percentage</u>
<b>Revenues:</b>		
Program revenues:		
Operating grants	46,879	4%
General revenues:		
Distributions from Jefferson Parish	1,118,286	95%
Interest Income	4,480	0%
Miscellaneous	<u>7,689</u>	<u>1%</u>
Total revenues	<u>1,177,334</u>	<u>100%</u>
<b>Expenses:</b>		
Public safety	<u>1,180,325</u>	<u>100%</u>
Change in net assets-decrease	(2,991)	
Beginning net assets	<u>1,301,634</u>	
Ending net assets	<u>\$ 1,298,643</u>	

## MARRERO - ESTELLE VOLUNTEER FIRE COMPANY NO. 1

### Management's Discussion & Analysis (Unaudited) (Continued)

As noted above, the Fire Company is heavily reliant on distributions from Jefferson Parish for its support. Distributions are made from property taxes and fire insurance premiums collected by the Parish for Fire Protection District No. 8.

The Fire Company's major expenses for 2004 were salaries (62%) and insurance (12%). The Fire Company has 16 full-time employees and three separate fire stations. Average annual compensation per full-time employee, including state supplemental pay, was \$40,847 for 2004.

Since this is the first year in which government-wide information is available comparative data is not presented. However, comparative data will be accumulated and presented to assist analysis in future years.

### CAPITAL ASSETS

Investment in capital assets (property and equipment) is summarized below:

	<u>Governmental Activities</u>
Depreciable assets:	
Buildings and improvements	\$ 878,675
Equipment	<u>1,723,642</u>
Total depreciable assets	2,602,317
Less accumulated depreciation	<u>1,418,895</u>
Book value - depreciable assets	1,183,422
Book value - land	<u>153,000</u>
Total capital assets - net	\$ <u>1,336,422</u>
Depreciated percentage	<u>55%</u>

Major capital additions in 2004 were 35 air packs and 54 cylinders which cost \$127,505.

### CONTACTING THE FIRE COMPANY'S FINANCIAL MANAGEMENT

This financial report is designated to provide a general review of the Fire Company's finances and to demonstrate the Fire Company's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Marrero - Estelle Volunteer Fire Company No. 1, 2248 Baratara Blvd., Marrero, LA 70072.

BASIC FINANCIAL STATEMENTS

MARRERO - ESTELLE VOLUNTEER FIRE COMPANY NO. 1  
STATEMENT OF NET ASSETS

DECEMBER 31, 2004

ASSETS

	Governmental <u>Activities</u>
Cash and cash equivalents	\$ 203,123
Due from other government	7,969
Other receivables	826
Prepaid expenses	4,905
Capital assets, net	<u>1,336,422</u>
Total assets	<u>1,553,245</u>

LIABILITIES

Current liabilities:	
Accounts payable and other accrued payables	81,350
Non-current liabilities:	
Due within one year	54,935
Due in more than one year	<u>118,317</u>
Total liabilities	<u>254,602</u>

NET ASSETS

Invested in capital assets, net of related debt	1,163,170
Unrestricted	<u>135,473</u>
Total net assets	\$ <u>1,298,643</u>

See accompanying notes to financial statements.

MARRERO - ESTELLE VOLUNTEER FIRE COMPANY NO. 1  
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2004

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenues and Changes in Net Assets</u>
		<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:				
Public Safety	\$ <u>1,180,325</u>	\$ <u>46,879</u>	\$ <u>-0-</u>	\$ <u>(1,133,446)</u>
Total	<u>1,180,325</u>	<u>46,879</u>	<u>-0-</u>	<u>(1,133,446)</u>
General Revenues:				
Grants and contributions not restricted to specific programs				1,118,286
Interest income				4,480
Miscellaneous				<u>7,689</u>
Total general revenues				<u>1,130,455</u>
Changes in net assets - decrease				(2,991)
Net assets at beginning of year - as restated				<u>1,301,634</u>
Net assets at end of year				\$ <u>1,298,643</u>

See accompanying notes to financial statements.

MARRERO - ESTELLE VOLUNTEER FIRE COMPANY NO. 1  
BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2004

	<u>General Fund</u>
<b>ASSETS</b>	
Cash, including \$115,266 in savings accounts and certificates of deposit	\$ 203,123
Receivables:	
Due from other government (FEMA)	7,969
Other	826
Security deposit on insurance policy (prepaid expense)	<u>4,905</u>
Total assets	<u>\$ 216,823</u>
<b>LIABILITIES AND EQUITY</b>	
Liabilities:	
Accounts payable	\$ 21,403
State withholding tax	3,040
Accrued liabilities:	
Wages and salaries	20,730
Compensated absences payable	<u>36,177</u>
Total liabilities	<u>81,350</u>
Equity:	
Fund balance:	
Reserved for security deposit	4,905
Unreserved/undesignated	<u>130,568</u>
Total fund balance	<u>135,473</u>
Total liabilities and fund balances	<u>\$ 216,823</u>

See accompanying notes to financial statements.

MARRERO - ESTELLE VOLUNTEER FIRE COMPANY NO. 1  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS

DECEMBER 31, 2004

Total fund balances of governmental funds at December 31, 2004		\$ 135,473
Amounts reported for governmental activities in the government-wide statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land and buildings	\$ 1,031,675	
Machinery and equipment	1,666,875	
Furniture and fixtures	<u>56,767</u>	
	2,755,317	
Less accumulated depreciation	<u>1,418,895</u>	
Capital assets, net		1,336,422
Long - term liabilities that are not due and payable in the current period and therefore are not reported in the governmental funds:		
Loan payable		<u>(173,252)</u>
Total net assets of governmental activities at December 31, 2004		\$ <u>1,298,643</u>

See accompanying notes to financial statements.

MARRERO - ESTELLE VOLUNTEER FIRE COMPANY NO. 1  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2004

	<u>General Fund</u>
Revenues:	
Intergovernmental:	
Jefferson Parish:	
Contractual services	\$ 1,042,662
Operating subsidiary	75,624
Federal grant (FEMA)	7,969
State supplemental pay (on-behalf payments)	38,910
Interest income	4,480
Miscellaneous	<u>7,689</u>
Total revenues:	<u>1,177,334</u>
Expenditures:	
Public Safety:	
Current operating:	
Salaries and related taxes, including state supplemental pay of \$38,910	728,385
Contract labor	10,481
Contributions to retirement plan	16,644
Fuel	8,626
Insurance	139,055
Miscellaneous	28,626
Office	3,178
Professional fees	34,091
Repairs, maintenance and supplies	63,427
Utilities	30,095
Uniforms	3,251
Capital outlay:	
Purchases of equipment	130,601
Debt service:	
Principal retirement	52,300
Interest charges	<u>14,242</u>
Total expenditures	<u>1,263,002</u>
Deficiency of revenues over expenditures	(85,668)
Fund balance at beginning of year	<u>221,141</u>
Fund balance at end of year	<u>\$ 135,473</u>

See accompanying notes to financial statements.

MARRERO - ESTELLE VOLUNTEER FIRE COMPANY NO. 1  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2004

Total changes in fund balances at December 31, 2004 per Statement of Revenues, Expenditures, and Changes in Fund Balances		\$ (85,668)
Amounts reported for governmental activities in the Government-Wide Statement of Activities are different because:		
<p>Governmental funds report capital outlays as expenditures.          However, in the government-wide Statement of Activities, the          cost of those assets is allocated over their estimated useful          lives and reported as depreciation expense.</p>		
Capital outlay which is considered expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 130,601	
Depreciation expense for the year ended December 31, 2004	<u>(100,224)</u>	30,377
Principal payment on note payable which is not considered an expense in the Statement of Activities		<u>52,300</u>
Total changes in net assets at December 31, 2004 per Statement of Activities		\$ <u>(2,991)</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

MARRERO - ESTELLE VOLUNTEER FIRE COMPANY NO. 1

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

Introduction

Marrero - Estelle Volunteer Fire Company No. 1 (the Fire Company) was created in 1951 under the non-profit corporation provisions of Louisiana Revised Statutes 12:202. The Fire Company contracts with the Parish of Jefferson, State of Louisiana to provide fire protection and related services to a portion of the 8<sup>th</sup> Fire Protection District of the Parish of Jefferson.

Because the Fire Company receives the vast majority of its financial support from the Parish of Jefferson to provide a public service, it is considered a quasi-public entity for financial reporting purposes. Accordingly, the accompanying 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.

(1) Summary of Significant Accounting Principles

A. Financial reporting Entity.

The accompanying financial statements include all funds and activities 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.

B. Basis of Presentation.

The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Statement 34 was adopted by the Fire Company in the year 2004 resulting in the restatement of the net assets at the beginning of the year for the following changes.

Fund balance of governmental funds, as previously reported	\$ 221,141
Add capital assets	2,666,716
Less:	
Accumulated depreciation	(1,360,671)
Note payable	<u>(225,552)</u>
Net assets at beginning of year per Statement of Activities	\$ <u>1,301,634</u>

MARRERO - ESTELLE VOLUNTEER FIRE COMPANY NO. 1

NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2004

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Fire Company as a whole. These statements include all the financial activities of the Fire Company. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the Fire Company's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, are presented as general revenue.

Fund Financial Statements (FFS)

The Fire Company uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Fire Company functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. At December 31, 2004, the Fire Company had only one governmental fund, its General Fund. This fund is the primary operating fund of the Fire Company and it accounts for all financial resources.

C. Measurement Focus/Basis of Accounting.

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements (GWFS) are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

MARRERO - ESTELLE VOLUNTEER FIRE COMPANY NO. 1

NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2004

Governmental fund financial statements (FFS) are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available) and expenditures are recorded when the related liabilities is incurred. All revenues are considered available if they are collected within 60 days after the fiscal year ends. The Fire Company's accounting records for its General Fund are maintained on the cash basis of accounting during the year and converted to the modified accrual basis of accounting for financial reporting purposes at year end. Under the modified accrual basis of accounting, revenues and expenditures are recognized as follows:

Revenues

The Fire Company has a contractual agreement with the Parish of Jefferson under which the Fire Company is to provide fire protection and related services in a specifically designated area of Fire Protection District No. 8. The agreement provides that the Fire Company is to receive from the Parish a sum of money in monthly installments which will represent one-third of the net proceeds of the property tax levied annually by Fire Protection District No. 8. The Fire Company also receives from the Parish one-third of the 2% fire insurance premium tax which the Parish receives from the State of Louisiana for Fire Protection District No. 8. The proceeds of the property tax (\$1,008,000) and the 2% fire insurance premium tax (\$34,662) are reported as intergovernmental revenue from contractual services in the accompanying statement of revenues and expenditures. Revenues from contractual services and the operating subsidiary are reported as revenues of the period for which received. Revenues from federal grants are reported in the period in which the reimbursable expenditures occur. All other revenues are reported in the period in which received.

Expenditures

Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

D. On-behalf Payments.

Supplemental pay which is paid directly to employees of the Fire Company by the State of Louisiana, Department of Public Safety, are recognized as intergovernmental revenue and salaries expenditure in the year in which paid.

MARRERO - ESTELLE VOLUNTEER FIRE COMPANY NO. 1

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2004

E. Budget.

The Fire Company is not legally required to adopt a budget. For 2004 a budget was prepared on the cash basis for internal use but not in a format compatible to the financial statements; therefore comparison of actual results with a budget is not presented in the accompanying financial statements.

F. Prepaid Expenses.

Prepaid expenses are for payments made by the Fire Company in the current year to provide services occurring in the subsequent fiscal year, and a reserve has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

G. Capital Assets.

Capital assets are recorded as expenditures (capital outlay) in the General Fund when purchased. Purchased capital assets are stated at historical cost. Donated capital assets are stated at their estimated fair market value on the date received. The Fire Company maintains a threshold level of \$100 or more for capitalizing capital assets. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives.

<u>Asset Class</u>	<u>Estimated Useful Lives in Years</u>
Buildings and improvements	10, 20 and 40
Equipment	5-20

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

MARRERO - ESTELLE VOLUNTEER FIRE COMPANY NO. 1

NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2004

(2) Cash

At December 31, 2004, the carrying amount of the Fire Company's bank deposits was \$202,923 and the bank balances were \$206,919, of which all but \$8,063 was covered by federal depository insurance.

(3) Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2004 are as follows:

<u>Governmental Activities</u>	<u>Balance January 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2004</u>
Land	\$ 153,000	\$ -0-	\$ -0-	\$ 153,000
Buildings and improvements	903,675	-0-	25,000	878,675
Equipment	<u>1,610,041</u>	<u>130,601</u>	<u>17,000</u>	<u>1,723,642</u>
Total	<u>2,666,716</u>	<u>130,601</u>	<u>42,000</u>	<u>2,755,317</u>
Less accumulated depreciation:				
Buildings and improvements	334,911	32,436	25,000	342,347
Equipment	<u>1,025,760</u>	<u>67,788</u>	<u>17,000</u>	<u>1,076,548</u>
Total	<u>1,360,671</u>	<u>100,224</u>	<u>42,000</u>	<u>1,418,895</u>
Capital assets, net	\$ <u>1,306,045</u>	\$ <u>30,377</u>	\$ <u>-0-</u>	\$ <u>1,336,422</u>

The Fire Company does not have any general infrastructure assets.

(4) Retirement Plan

In the year 2000, the Fire Company terminated its defined contribution (money purchase) pension plan and adopted a SIMPLE IRA Retirement Plan for its employees. Under the SIMPLE IRA plan, the Fire Company matches the employees' salary contributions to the plan up to a limit of 3% of the employees' compensation for the year. The maximum annual contribution by the employee for the year 2004 was \$9,000. For 2004 the employees' total contributions were \$33,797 and the Fire Company's matched contributions were \$16,644.

(5) Loan Payable

Loan payable at December 31, 2004 consisted of an installment obligation with a balance of \$173,252, payable in three annual installments of \$63,667, including interest at 5.04% covering the "lease-purchase" of a fire truck with a cost of \$434,008.

MARRERO - ESTELLE VOLUNTEER FIRE COMPANY NO. 1

NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2004

Annual debt service requirements to maturity for the above obligation, including interest of \$17,751 are as follows:

Year ending <u>December 31</u>	
2005	\$ 63,667
2006	63,668
2007	<u>63,668</u>
	\$ <u>191,003</u>

(6) 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.

SUPPLEMENTARY INFORMATION

MARRERO - ESTELLE VOLUNTEER FIRE COMPANY NO. 1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED DECEMBER 31, 2004

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>Federal Emergency Management Agency:</u>		
Passed through Jefferson Parish, Louisiana:		
Hurricane Ivan	83.544	\$ <u>7,969</u>
 Total expenditures of federal awards		 \$ <u><u>7,969</u></u>

Note: The expenditures are presented in this schedule on the accrued basis of accounting and in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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COMPLIANCE AND INTERNAL CONTROL

# UZEE, BUTLER, ARCENEUX & BOWES

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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To Board of Directors of  
Marrero - Estelle Volunteer Fire Company No. 1  
Marrero, Louisiana

We have audited the basic financial statements of Marrero - Estelle Volunteer Fire Company No. 1, as of and for the year ended December 31, 2004, and have issued our report thereon dated June 20, 2005. We conducted our 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.

### Compliance

As part of obtaining reasonable assurance about whether Marrero - Estelle Volunteer Fire Company No. 1's financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Marrero - Estelle Volunteer Fire Company No. 1's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on their financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components do not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, and the Louisiana Legislative Auditor, 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.

*Uzze, Butler, Arceneux & Bowes*

Harvey, Louisiana  
June 20, 2005