

**FIFTH WARD VOLUNTEER
FIRE DEPARTMENT, INC.**

Financial Report

Year Ended December 31, 2011

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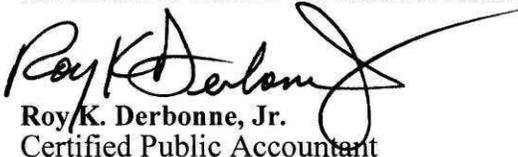
ACCOUNTANT'S REPORT

To the Board of Directors
Fifth Ward Volunteer Fire Department, Inc.
Marksville, Louisiana

I have compiled the accompanying statement of financial position of Fifth Ward Volunteer Fire Department, Inc. (a nonprofit organization), as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.


Roy K. Derbonne, Jr.
Certified Public Accountant

Alexandria, Louisiana
May 25, 2012

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
Marksville, Louisiana

Statement of Financial Position
(Unaudited)
December 31, 2011

ASSETS

Current assets:	
Cash and cash equivalents	\$ 66,033
Accounts receivable	72,454
Total current assets	<u>138,487</u>
Fixed assets:	
Building and improvements	185,618
Equipment	198,636
Trucks	442,131
Total	<u>826,385</u>
Less: accumulated depreciation	<u>(523,564)</u>
Net fixed assets	<u>302,821</u>
Total Assets	<u>\$ 441,308</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Current portion of long-term debt	\$ 19,611
Accounts payable	3,149
Accrued interest payable	714
Total current liabilities	<u>23,474</u>
Long-Term liabilities:	
Notes payable (net of current portion)	<u>67,264</u>
Total liabilities	<u>90,738</u>
Net Assets:	
Unrestricted net assets -	
Operations	135,338
Fixed assets	215,232
Total unrestricted net assets	<u>350,570</u>
Total liabilities and net assets	<u>\$ 441,308</u>

See accountant's report.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
Marksville, Louisiana

Statement of Activities
(Unaudited)

For the year Ended December 31, 2011

Support and revenue:	
Support	
Contributions	\$ 1,080
Revenue	
Ad valorem taxes	68,331
Miscellaneous	199
Fire insurance rebate	10,072
Total revenue	<u>78,602</u>
Total Support and Revenue	79,682
Expenses:	
Accounting	900
Depreciation	41,929
Office	1,008
Repairs	8,868
Supplies	1,112
Utilities	2,189
Meeting expense	4,748
Uniforms	1,042
Insurance	7,968
Fuel	1,844
Awards and Donations	137
Telephone	1,395
Fireman per diem	5,505
Other	1,091
Total expenses	<u>79,736</u>
Operating Loss	(54)
Nonoperating revenues (expenses)	
Interest expense	<u>(7,342)</u>
Total nonoperating revenues (expenses)	<u>(7,342)</u>
Change in net assets	(7,396)
Net assets, beginning of year	<u>357,966</u>
Net assets, end of year	<u>\$ 350,570</u>

See accountant's report.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
Marksville, Louisiana

Statement of Cash Flows
(Unaudited)

For the year Ended December 31, 2011

Cash flows provided for operating activities:	
Change in net assets	\$ (7,396)
Adjustments to reconcile change in net assets to net cash provided for operating activities -	
Depreciation	41,929
Increase in accounts receivable	(5,703)
Decrease in accounts payable	<u>(1,226)</u>
Total adjustments	35,000
Net cash provided for operating activities	27,604
Cash flows from investing activities:	
Purchase of equipment and truck	<u>(6,020)</u>
Total cash used for investing activities	(6,020)
Cash flows from financing activities:	
Decrease in accrued interest payable	(136)
Payments on note payable	<u>(16,541)</u>
Net cash used from financing activities	<u>(16,677)</u>
Net increase in cash and cash equivalents	4,907
Cash and cash equivalents, beginning of year	<u>61,126</u>
Cash and cash equivalents, end of year	<u>\$ 66,033</u>

See accountant's report.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
Marksville, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

Fire Department

The Fifth Ward Volunteer Fire Department, Inc. (Fire Department) was incorporated on March 13, 1985 as a nonprofit corporation as defined in Louisiana Revised Statutes of R. S. 1950 Title 12, Chapter 2, as amended. The Fire Department operates under a Board of Directors consisting of a president, vice-president, and secretary-treasurer and is elected on an annual basis. The members of the Fifth Ward Volunteer Fire Department, Inc. vote on all matters brought before the Board. The Fire Department serves approximately 1,383 structures and meetings are held quarterly. The following is a summary of certain significant accounting policies.

A. Financial Statement Presentation:

The Fire Department adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Fire 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) based upon the existence or absence of donor-imposed restrictions.

The Fire Department also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made" in accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. In addition, the Fire Department has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

C. Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments that are readily convertible into cash within ninety (90) days of purchase.

D. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1st and are due and payable on or before December 31. All unpaid taxes become delinquent January 2 of the following year. The taxes are assessed by the Avoyelles Parish Assessor's Office and collected by the Avoyelles Parish Sheriff's Office. The taxes are then remitted to the Avoyelles Parish Police Jury on behalf of Fire Protection District No. 2. The Fire Department is one of 14 members in this District. After deducting a fee of \$20,000 to defray the expenses of the Board of Commissioners of the Fire Protection District, each member is guaranteed a base

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
Marksville, Louisiana

Notes to Financial Statements

amount of \$25,000. Any remaining funds are distributed to the members on a basis of structures served.

E. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

F. Fixed Assets

Fixed assets acquired by the Fire Department are considered to be owned by it.

The Fire Department follows the practice of capitalizing, at cost, all expenditures for fixed assets. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Building and improvements	15- 30 years
Furniture and equipment	5-10 years
Vehicles	10-20 years

The net fixed asset balance has been recorded as a separate component in unrestricted net assets.

(2) Deposits and Investments

Deposits

At year-end, the carrying amount of the Fire Department's deposits was \$66,033 and the bank balance was \$66,033. Of the bank balance, \$66,033 was covered by federal depository insurance. Of this amount, \$59,144 was tax monies, which is restricted to be expended on fire equipment and supplies.

Certificates of Deposit

The Fire Department had no Certificates of Deposit at December 31, 2010.

(3) Accounts Receivable

The billed receivable balance at December 31 of \$72,454 consisted of property taxes due from the Fire Protection District No. 2 of \$72,184 and \$270 from the Avoyelles Parish Police Jury.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
Marksville, Louisiana

Notes to Financial Statements

(4) Fixed Assets

A summary of changes in Property, Plant and Equipment are as follows:

	Balance 12/31/10	Additions	Deletions	Balance 12/31/11
Land and buildings	\$ 185,618	\$ -	\$ -	\$ 185,618
Equipment	192,615	6,021	-	198,636
Trucks	442,132	-	(1)	442,131
	\$ 820,365	\$ 6,021	\$ (1)	\$ 826,385

Depreciation for the year was \$41,929.

(5) Retirement Commitments

Individuals who serve the Fire Department are volunteers; therefore, there is no liability for retirement benefits.

(6) Commitments and Contingencies

As of December 31, 2011 there were no lawsuits against the Fire Department.

(7) Changes in Long-Term Debt

The following is a summary of debt transactions of the Fifth Ward Volunteer Fire Department for the year ended December 31, 2010:

	2011
Long-Term Obligations Payable, Beginning of Year	\$ 103,416
Additions	-
Deductions	(16,541)
Long-Term Obligations Payable, End of Year	\$ 86,875

Note payable (current and long-term portion) is financed with Government Capital Corporation.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
Marksville, Louisiana

Notes to Financial Statements

Note payable at December 31, 2011 consist of the following individual liabilities:

Note Payable

\$137,980 notes, bearing interest at 5% per annum. Final maturity date, November 1, 2015. Annual required payments of \$24,018. Secured by tanker/pumper truck.	\$ 86,875
Less Current Portion	<u>(19,611)</u>
Total Long-Term Note Payable	<u>\$ 67,264</u>

Principal and interest payments on the note payable are due on November 1st of each year.

The annual requirements to amortize all notes and bonds outstanding as of December 31, 2011 are as follows:

December 31	Principal	Interest	Total
2011	\$ 18,641	\$ 5,377	\$ 24,018
2012	19,611	4,407	24,018
2013	20,630	3,388	24,018
2014	21,703	2,315	24,018
2015	22,831	1,187	24,018
Totals	\$ 103,416	\$ 16,674	\$ 120,090

SUPPLEMENTAL INFORMATION

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ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Fifth Ward Volunteer Fire Department, Inc.
Marksville, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Fifth Ward Volunteer Fire Department, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Fifth Ward Volunteer Fire Department, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2011 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedure 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 of for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

The District did not expended over \$20,000 for material and supplies and did not expend over \$100,000 for public works during the year ended December 31, 2011.

Code of Ethics for Public Officials and Public Employees

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

Management provided me with the required list. All individuals who serve the Fire Department are volunteers; therefore, there are no employees.

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

The Fire Department has no employees. All individuals who serve the Fire Department are volunteers.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (30 were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The Fire Department has no employees. All individuals who serve the Fire Department are volunteers.

Budgeting

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

Fifth Ward Volunteer Fire Association, Inc. is not required to adopt a budget.

6. Trace the budget adoption and amendments to the published advertisement in the official journal.

Fifth Ward Volunteer Fire Association, Inc. is not required to adopt a budget.

7. 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%.

Fifth Ward Volunteer Fire Association, Inc. is not required to adopt a budget.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- a. trace payments to supporting documentation as to proper amount and payee;

I 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

Based on the client's general ledger, there were items that were not coded properly, and have since been corrected when performing the compilation.

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

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

9. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted no loan proceeds during the year ended December 31, 2011.

10. Examine payroll records for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts.

There were no such records to examine.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Fifth Ward Volunteer Fire Association, Inc. 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.



Roy K. Derbonne, Jr.
Certified Public Accountants

Alexandria, Louisiana
June 14, 2011