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Wilmer Volunteer Fire Department, Inc.

Annual Financial Report

**As of and for the Year
Ended December 31, 2005**

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 8-2-06

Wilmer Volunteer Fire Department, Inc.
Annual Financial Report
As of and for the Year Ended December 31, 2005

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ACCOUNTANT'S COMPILATION REPORT

To the Officers of
Wilmer Volunteer Fire Department, Inc.
Kentwood, Louisiana

We have compiled the accompanying statement of financial position of the Wilmer Volunteer Fire Department, Inc. (a nonprofit organization) as of December 31, 2005, and the related statements of activities and cash flows 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.

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 statements and, accordingly, do not express an opinion or any other form of assurance on them.

We are not independent with respect to the Wilmer Volunteer Fire Department, Inc.

Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

June 15, 2006

**Wilmer Volunteer Fire Department
Statement of Financial Position
December 31, 2005**

	<u>2005</u>
Assets	
Current Assets:	
Cash	\$ 61,863
Ad Valorem Receivable	26,674
Revenue Sharing Receivable	<u>23,687</u>
Total Current Assets	<u>112,224</u>
 Fixed Assets:	
Machinery & Equipment	<u>157,758</u>
Total Fixed Assets	<u>157,758</u>
Less: Accumulated Depreciation	<u>-14,899</u>
Total Net Fixed Assets	<u>142,859</u>
Total Assets	<u>\$ 255,083</u>
 Liabilities and Net Assets	
Current Liabilities:	
Accounts Payable	\$ 1,908
Accrued Liabilities	1,324
Insurance Payable	<u>5,346</u>
Total Current Liabilities	<u>8,578</u>
 Net Assets	
Unrestricted	<u>246,505</u>
Total Net Assets	<u>246,505</u>
Total Liabilities and Net Assets	<u>\$ 255,083</u>

See accompanying notes and accountant's report.

**Wilmer Volunteer Fire Department
Statement of Activities
For the Year Ended December 31, 2005**

	<u>December 31, 2005</u>
Unrestricted Revenue and Support	
Rural Fire District No. 2 Contract Fees:	
Ad valorem Taxes	\$ 107,641
State Revenue Sharing	23,687
Fire Insurance Premium Rebate	9,554
Supplemental Pay	3,000
Interest Income	245
Total Unrestricted Revenue and Support	<u>144,127</u>
Expenses	
Accounting Fees	8,350
Audit Expense	2,000
Bank Charges	92
Capital Expenditures	6,049
Contract Labor	210
Debt Service	33,853
Depreciation	10,517
Dues & Subscriptions	6,105
Fire Station Supplies	5,533
Fuel	6,104
Insurance	8,265
Legal and Professional	160
Licenses	152
Medical (EMS)	212
Office Supplies	1,626
Payroll Taxes	4,418
Repairs and Maintenance	7,932
Salaries and Related Expenses	35,074
Shipping	76
Telephone	5,064
Training	2,605
Travel	529
Uniforms	1,431
Utilities	3,895
Total Expenses	<u>150,252</u>
Change in Unrestricted Net Assets	<u>(6,125)</u>

(Continued)

See accompanying notes and accountant's report.

**Wilmer Volunteer Fire Department
Statement of Activities
For the Year Ended December 31, 2005**

	<u>December 31, 2005</u>
Net Assets, Beginning	<u>252,630</u>
Net Assets, Ending	<u>\$ 246,505</u>

(Concluded)
See accompanying notes and accountant's report.

**Wilmer Volunteer Fire Department
Statement of Cash Flows
For the Year Ended December 31, 2005**

	<u>December 31, 2005</u>
Cash Flows From Operating Activities	
Change in Net Assets	\$ (6,125)
Adjustments to Reconcile Change in Net Assets	
To Net Cash Used by Operating Activities:	
(Increase) Decrease in Accounts Receivable	3,337
(Increase) Decrease in Fixed Assets	10,517
Increase (Decrease) in Accrued Liabilities	(639)
Increase (Decrease) in Accounts Payable	<u>(11,293)</u>
Net Cash Provided (Used) by Operating Activities	(4,203)
Cash, Beginning of Year	<u>66,066</u>
Cash, End of Year	<u><u>\$ 61,863</u></u>

See accompanying notes and accountant's report.

Wilmer Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2005

1. Summary of Significant Accounting Policies

Nature of the Organization

The Wilmer Volunteer Fire Department, Inc. is a Louisiana nonprofit corporation. Its purpose is to operate exclusively as a volunteer fire fighting organization to provide fire protection and emergency response services in the Community of Wilmer and surrounding rural areas. The Wilmer Volunteer Fire Department, Inc. is one of the fire departments located in Tangipahoa Parish, that comprise the Tangipahoa Parish Fire Protection District No. 2. Fire Protection District No. 2 receives ad valorem taxes, state revenue sharing, and the 2% fire insurance rebate monies, which are in turn distributed along with any interest earned, to the individual fire departments, in accordance with an annual agreement.

Basis of Accounting

The financial statements have been prepared on an accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendation 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 Organization 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. As permitted by the statement, the fire department does not use fund accounting.

Use of Estimates

The preparation of financial statements in conformance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Property and Equipment

Equipment purchased with funds appropriated and distributed by the Tangipahoa Parish Rural Fire Protection District No. 2 remains the property of Tangipahoa Parish Rural Fire Protection District No. 2. and is not recorded in the accompanying financial statements. Equipment with an individual purchase price of \$500 or more must be tagged with a Fire District No. 2 inventory tag. Equipment purchased with funds other than those appropriated by the Tangipahoa Parish Rural Fire Protection District No. 2 are recorded at cost as of the date of acquisition or fair value as of the date of donation. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the respective assets.

Wilmer Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2005

Support and Revenues

Support consists primarily of contract payments received from the Tangipahoa Parish Rural Fire Protection District No. 2 in the form of ad valorem taxes, state revenue sharing funds and fire insurance rebate funds. The Fire Department receives a percentage of the total funds available to Rural Fire Protection District No. 2 based on a formula contained in the original contract agreed to by all participating fire departments in Tangipahoa Parish. The ad valorem tax allocation is established in January of each year and disbursed by Rural Fire Protection District No. 2 on a quarterly basis. State revenue sharing and fire insurance rebate funds are disbursed to participating fire departments by Rural Fire Protection District No. 2 as the funds become available. As a result, ad valorem taxes and interest income is recognized as income in the period earned. State revenue sharing funds, fire insurance rebate funds and all other revenues are recognized as income when received.

Donated Services

All of the Fire Department's program services are provided by volunteers. No amounts have been included in the financial statements for donated services since no objective basis is available to measure the value of such services and facilities.

Contributions

The Fire Department also elected to adopt SFAS No. 116, "Accounting for Contributions Received and Contributions Made," in 1996. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. The adoption of SFAS No. 116 had no effect on net assets or the change in net assets as of or for the year ended December 31, 2005.

Income Taxes

The Fire Department is a non-profit corporation and is exempt from income taxes under Section 501 (C) (4) of the Internal Revenue Code. Therefore, no provision is made for income taxes.

Fair Value 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 organization 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Fire Department considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Wilmer Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2005

2. Cash and Cash Equivalents

Cash equivalents (book balances) at December 31, 2005 were as follows:

	2005
Interest Bearing Demand Deposits	\$ 61,863

3. Receivables

Receivables at December 31, 2005 to be transferred from Fire District No. 2 were as follows:

	2005
Ad valorem Tax	\$ 26,674
Revenue Sharing	23,687
	\$ 50,361

4. Property and Equipment

	Balance December 31, 2004	Additions	Deletions	Balance December 31, 2005
Capital Expenditures	\$ 157,758	\$ -	\$ -	\$ 157,758
Less accumulated depreciation	\$ (4,382)	(10,517)	-	(14,899)
Net Property and Equipment	\$ 153,376	\$ (10,517)	\$ -	\$ 142,859

Depreciation expense for the fiscal year ending December 31, 2005 totaled \$10,517.

5. Contract With Tangipahoa Parish Rural Fire Protection District No. 2

The Fire Department entered into an agreement with the Tangipahoa Parish Rural Fire Protection District No. 2 to provide fire protection and emergency response services in the unincorporated rural areas in the community of Wilmer. Funding is provided by an ad valorem tax and related state revenue sharing.

Under the terms of this contract with the District, these funds "shall be expended solely for the purposes of operating, maintaining, and/or purchasing of equipment or supplies and salaries if approved by Fire District No. 2."

6. Co-Operative Endeavor Agreement

The Wilmer Volunteer Fire Department, Inc. obtained a 90% grant to purchase a 2005 Freightliner Model M-2 pumper-tanker truck. The Wilmer Volunteer Fire Department received a commitment of funds from the Rural Fire Protection District No. 2 of Tangipahoa Parish, Louisiana to pay for the 10% matching money needed to purchase the truck and other expenses associated with the fire truck. The fire truck, according to the terms of the grant, was purchased in the name of the Wilmer Volunteer Fire Department, Inc. and will be utilized for and in the Wilmer Fire District. Under the terms of the agreement, the fire district obtained usage of this truck in providing fire protection services within its Wilmer Fire District for at least a five-year term for a one time payment of \$32,700.

Wilmer Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2005

7. Debt Service Payments

On June 16, 2003, Tangipahoa Rural Fire District No. 2 purchased a 2003 GMC TC8500 Fire Truck and new radio equipment for Wilmer's use. Fire District # 2 entered into a loan agreement with Hancock Bank for \$184,000, of which \$27,000 is interest free. Debt service payments are made from Wilmer's regular appropriations. At December 31, 2005, the balance of the loan was \$127,000. Total interest expense was \$33,853, reported as debt service on the financial statements. The loan carries an interest rate of 3.35% with interest payments due semi-annually and with principal payments as follows:

Payment Due Date	Amount
March 2006	\$ 31,000
March 2007	31,000
March 2008	32,000
March 2009	33,000
Total Remaining Principal Payments	<u>\$ 127,000</u>

The liability is not reflected on the books since the debt is the liability of Tangipahoa Rural Fire District No. 2.

Supplemental Information

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

June 8, 2006

Bruce Harrell & Co. CPAs
P.O. Box 45-909 Ave G
Kentwood, LA 70444

Wilmer Volunteer Fire Department

In connection with your review of our financial statements as of December 31, 2005 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 June 15, 2006.

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 OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

N/A

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

Budget

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

N/A

Yes No

Prior Year Comments

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

Yes No

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

Wilmer Volunteer Fire Department - Louisiana Attestation Questionnaire

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

Donald E Miller Fire Chief 6/15/06 Date

Terrell W Cain Secretary 6/15/06 Date

_____ Treasurer _____ Date