

**SUMMERVILLE-ROSEFIELD
VOLUNTEER FIRE DEPARTMENT**

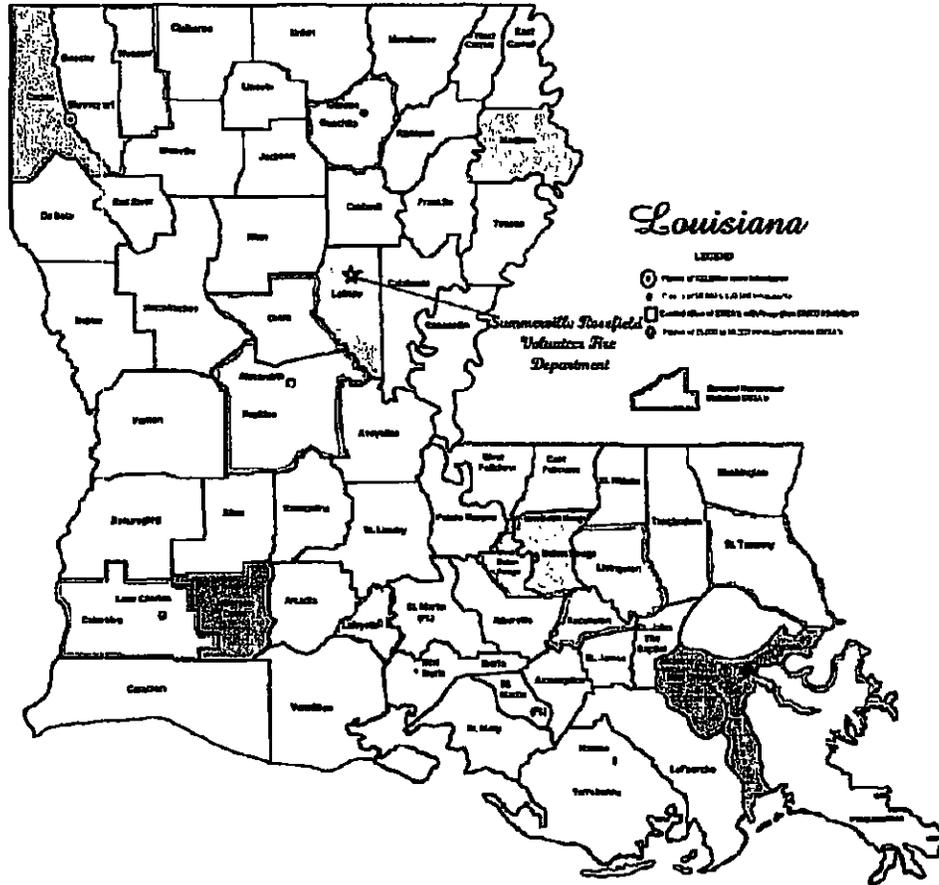
**Component Unit of the
LaSalle Parish Police Jury**

December 31, 2011

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 JUN 21 2012

SUMMERVILLE – ROSEFIELD VOLUNTEER FIRE DEPARTMENT JENA, LOUISIANA



* The Summerville – Rosefield Volunteer Fire Department operates three fire stations with trucks to respond to fires in the communities of Summerville and Rosefield

**Summerville-Rosefield
Volunteer Fire Department**

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INDEPENDENT ACCOUNTANT'S REPORT

Summerville-Rosefield Volunteer Fire Department
Jena, Louisiana

We have reviewed the accompanying basic financial statements of the governmental activities of the Summerville-Rosefield Volunteer Fire Department, Jena, Louisiana, as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Summerville-Rosefield Volunteer Fire Department, Jena, Louisiana. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the Summerville-Rosefield Volunteer Fire Department, Jena, Louisiana, 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.

Our responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated March 20, 2012, on the results of our agreed-upon procedures.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but were compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or provide any assurance on the supplementary information.

John R. Vercher PC

Jena, Louisiana
March 20, 2012

Summerville-Rosefield Volunteer Fire Department

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the District, we offer readers of the Summerville-Rosefield Volunteer Fire Department's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$390,329 (*net assets*). Of this amount, \$132,796 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The District had total revenue of \$314,729, in which \$168,090 was from loan proceeds.
- The District had total expenditures of \$325,508, in which \$204,640 was for capital purchases.
- The District had a decrease in net assets of \$2,954 and a decrease in fund balance of \$10,779 for the current year.

See accountant's report.

MD&A

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The District is a special-purpose entity engaged only in governmental-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the District adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The District's annual report consists of financial statements that show information about the District's fund.

Our auditor has provided assurance in his independent accountant's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent accountant's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

The General Fund is the primary operating fund of the District. It accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the District's policy.

See accountant's report

MD&A

**Comparative Statement of Net Assets
Governmental Funds**

The following table represents a condensed Comparative Statement of Net Assets as of December 31, 2011:

	<u>2010</u>	<u>2011</u>	<u>% Change</u>
Assets			
Cash & Cash Equivalents	\$ 26,089	\$ 6,837	-73.8
Receivables (Net)	129,633	137,391	6.0
Capital Assets, Net of Accumulated Depreciation	436,284	580,184	33.0
Total Assets	<u>592,006</u>	<u>724,412</u>	22.4
Liabilities & Net Assets			
Accounts Payable	1,058	343	-67.6
Accrued Payable	6,017	11,089	84.3
Notes Payable	191,648	322,651	68.4
Total Liabilities	<u>198,723</u>	<u>334,083</u>	68.1
Net Assets			
Invested in Capital Assets, Net of Related Debt	244,636	257,533	5.3
Unrestricted	148,647	132,796	-10.7
Total Net Assets	<u>\$ 393,283</u>	<u>\$ 390,329</u>	-0.8

**Comparative Changes in Fund Balances
Governmental Funds**

The following table reflects the condensed Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended December 31, 2011:

	<u>2010</u>	<u>2011</u>	<u>% Change</u>
Total Revenues	\$ 136,218	\$ 314,729	131.0
Total Expenditures	(139,261)	(325,508)	-133.7
Increase (Decrease) in Fund Balances	<u>(3,043)</u>	<u>(10,779)</u>	-254.2
Beginning Fund Balances	157,707	154,664	-1.9
Ending Fund Balances	<u>\$ 154,664</u>	<u>\$ 143,885</u>	-7.0

See accountant's report

MD&A

CAPITAL ASSETS

Capital Assets – Governmental Fund

At December 31, 2011, the District had \$580,184 invested in capital assets, including the following:

	Capital Assets at Year-End	
	<u>2010</u>	<u>2011</u>
Fire Station, Machinery, & Equipment	\$ 659,599	\$ 864,239
Accumulated Depreciation	<u>(223,315)</u>	<u>(284,055)</u>
Total	<u>\$ 436,284</u>	<u>\$ 580,184</u>

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Nori Joiner at the Summerville-Rosefield Volunteer Fire Department, PO Box 1482, Jena, Louisiana 71342.

See accountant's report.

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Summerville-Rosefield Volunteer Fire Department
Jena, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Summerville-Rosefield Volunteer Fire Department and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Summerville-Rosefield Volunteer Fire Department's compliance with certain laws and regulations during the year ended December 31, 2011, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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).

*Our review found no expenditures for supplies exceeding \$20,000. The District did purchase a 2011 Tanker Fire Truck during the year that totaled \$168,090. However, the purchase was made under a capital lease that contains a non appropriation clause; therefore it did not require to be made in accordance with LSA-RS 38:2211-2251 (the public bid law)

Code of Ethics for Public Officials and Public Employees

2 Obtain from management a list of the immediate family members of each board member 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.

*We obtained a list from the District.

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

*The District has no employees

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

*Not applicable. The District has no employees.

Budgeting

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

*We obtained the legally adopted budget and the amended budget.

6. Trace the budget adoption and amendments to the minute book.

* We traced the budget adoption to the District's minute book.

7 Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

* The District had a favorable revenue variance and an unfavorable expenditure variance of \$8,418 or 2.7% for the year.

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;

*We randomly selected six disbursements using a random number generator. We examined supporting documents 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

*All of the payments were properly coded to the correct fund and general ledger account

(c) determine whether payments received approval from proper authorities.

*All of the payments received approval from proper authorities

Meetings

9 Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

*Inquiries of management found that notices were posted at the business office of the District of the meetings' time, place, and agenda.

Debt

10. 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.

*The District entered into a lease agreement with Oshkosh Capital on April 27, 2011, in the amount of \$168,090. The lease contained a "nonappropriation" clause; therefore State Bond Commission approval was not needed

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

*The District has no payroll.

Our prior year report, dated March 25, 2011, included no management letter comments.

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Summerville-Rosefield Volunteer Fire Department 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document

John R. Vercher PC

Jena, Louisiana
March 20, 2012



Basic Financial Statements

**Summerville-Rosefield
Volunteer Fire Department
Statement of Net Assets
December 31, 2011**

ASSETS	
Current Assets	
Cash	\$ 6,837
Ad Valorem Tax Receivable	137,391
Total Current Assets	<u>144,228</u>
Non-Current Assets	
Capital Assets, Net	580,184
Total Non-Current Assets	<u>580,184</u>
TOTAL ASSETS	<u>724,412</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	343
Accrued Interest	11,089
Capital Lease Payable – Current Portion	31,375
Total Current Liabilities	<u>42,807</u>
Non-Current Liabilities	
Capital Lease Payable	291,276
Total Non-Current Liabilities	<u>291,276</u>
TOTAL LIABILITIES	<u>334,083</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	257,533
Unrestricted	132,796
TOTAL NET ASSETS	<u>\$ 390,329</u>

See accompanying notes and accountant's report

**Summerville-Rosefield
Volunteer Fire Department
Statement of Activities
Year Ended December 31, 2011**

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	CAPITAL GRANTS	GOVERNMENTAL ACTIVITIES
Governmental Activities				
General Government	\$ (139,220)	\$ -0-	\$ -0-	\$ (139,220)
Interest on Long-term Debt	(10,373)	-0-	-0-	(10,373)
Total Government Activities	\$ (149,593)	\$ -0-	\$ -0-	\$ (149,593)

GENERAL REVENUES	
Ad Valorem Taxes	134,373
2% Fire Insurance Tax	6,408
Miscellaneous	5,643
Interest Income	215
TOTAL GENERAL REVENUES	146,639
CHANGE IN NET ASSETS	(2,954)
NET ASSETS – BEGINNING	393,283
NET ASSETS – ENDING	\$ 390,329

See accompanying notes and accountant's report

**Summerville-Rosefield
Volunteer Fire Department
Balance Sheet
December 31, 2011**

ASSETS	
Cash	\$ 6,837
Taxes Receivable	137,391
TOTAL ASSETS	<u>144,228</u>
 LIABILITIES & FUND BALANCE	
Accounts Payable	343
Unassigned Fund Balance	143,885
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 144,228</u>

See accompanying notes and accountant's report

**Summerville-Rosefield
Volunteer Fire Department
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Assets
Year Ended December 31, 2011**

Total fund balance – governmental funds	\$	143,885
 Amounts reported for governmental activities in the statement of net assets are different because.		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the balance sheet – governmental funds.		580,184
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. (Principal & Accrued Interest)		<u>(333,740)</u>
Total net assets of governmental activities	\$	<u>390,329</u>

See accompanying notes and accountant's report

**Summerville-Rosefield
Volunteer Fire Department
Statement of Revenues, Expenditures, & Changes in Fund Balance
For the Year Ended December 31, 2011**

REVENUES	
Ad Valorem Tax	\$ 134,373
Loan Proceeds	168,090
2% Fire Insurance Tax	6,408
Miscellaneous	5,643
Interest Income	215
TOTAL REVENUES	<u>314,729</u>
 EXPENDITURES	
Capital Purchases	204,640
Insurance	16,986
Auto Expense	27,778
Repairs & Maintenance	8,935
Office Expense	6,491
Utilities	4,686
Training	8,531
Debt Service	47,461
TOTAL EXPENDITURES	<u>325,508</u>
 NET CHANGE IN FUND BALANCE	 (10,779)
 FUND BALANCE - BEGINNING	 <u>154,664</u>
FUND BALANCE - ENDING	\$ <u>143,885</u>

See accompanying notes and accountant's report

**Notes to the Basic Financial
Statements**

**Summerville-Rosefield
Volunteer Fire Department**

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

Summerville-Rosefield Volunteer Fire Department was created by the LaSalle Parish Police Jury, as authorized by Louisiana Revised Statute 33:4562. The Fire District is administered by a board of five commissioners who are appointed by the LaSalle Parish Police Jury. The District owns and operates a fire facility and engages in activities designed to provide fire services to the Summerville and Rosefield communities.

For financial reporting purposes, the district is a component unit of the LaSalle Parish Police Jury, the governing body of the parish. The accompanying financial statements present financial information only on the funds maintained by Summerville-Rosefield Volunteer Fire Department and do not present information on the Police Jury and the general government services provided by that governmental unit or any of its other component units.

The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements

1. SUMMARY OF ORGANIZATION & SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Summerville-Rosefield Volunteer Fire Department have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. 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*, issued in June 1999. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations,
- Financial statements prepared using full accrual accounting for all of the District's activities, and
- A change in the fund financial statements to focus on the major funds.

**Summerville-Rosefield
Volunteer Fire Department**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the LaSalle Parish Police Jury is the financial reporting entity for LaSalle Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the LaSalle Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship

Because the police jury appoints the District's board, the District was determined to be a component unit of the LaSalle Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by the police jury, or the other governmental units that comprise the financial reporting entity

C. FUND ACCOUNTING

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures

**Summerville-Rosefield
Volunteer Fire Department**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Governmental funds account for all or most of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District. The following are the District's governmental funds:

General Fund - The primary operating fund of the District, it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the District's policy.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District's operations. (See the reconciliation statements).

The amounts reflected in the General Fund of Statements in the FFS use 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 both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by

**Summerville-Rosefield
Volunteer Fire Department**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Charges for services are recorded when received. Interest income on time deposits is recorded when the time deposits have matured. Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

Based on the above criteria, ad valorem taxes have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these columns 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*

Program Revenues - Program revenues included in the Statement of Activities are derived directly from the District's users as a charge for services; program revenues reduce the cost of the function to be financed from the District's general revenues.

E. DEPOSITS & INVESTMENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificate of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments (bank certificate of deposits in excess of 90 days) for the District are reported at fair value.

**Summerville-Rosefield
Volunteer Fire Department**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

F. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable columns in the government-wide financial statements. Capital assets are capitalized at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense included during the current fiscal year was \$-0-. Of this amount, \$-0- was included as part of the cost of capital assets under construction in connection with construction projects.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>	
Buildings	40	years
Equipment	5-10	years

G. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as *deferred charges* and amortized over the term of the related debt.

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.

**Summerville-Rosefield
Volunteer Fire Department**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

I. BUDGETS

The Budget for the District is adopted on a basis consistent with U.S. generally accepted accounting principles. The proposed budget, prepared on the modified accrual basis of accounting, for fiscal year December 31, 2011, was completed, published, and made available for public inspection in December 2010. The budget was legally adopted and amended, as necessary, by the District following the public hearing. All expenditure appropriations lapse at year end. District has sole authority to make changes or amendments within various budget classifications.

2. CASH & INVESTMENTS (CD'S IN EXCESS OF 90 DAYS)

At December 31, 2011, the District had cash and investments (bank balances) totaling \$10,044 as follows:

Cash	\$	10,044
Investments		-0-
Total	\$	<u>10,044</u>

These deposits are stated at cost, which approximated market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Deposits

It is the District's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The District's deposits are categorized to give an indication of the level of risk assumed by the District at year end. The categories are described as follows:

- **Category 1** – Insured or collateralized with securities held by the District or by its agent in the District's name.
- **Category 2** – Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- **Category 3** – Uncollateralized.

Amounts on deposit at the bank are secured by the following.

<u>Description</u>	<u>Market Value</u>
FDIC (<i>Category 1</i>)	\$ 10,044
Securities Pledged (<i>Category 2</i>)	-0-
Total	\$ <u>10,044</u>

**Summerville-Rosefield
Volunteer Fire Department**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

3. RECEIVABLES

The ad valorem taxes receivable as of December 31, 2011, were \$137,391. Allowance for doubtful accounts is considered immaterial and is not presented.

4. CAPITAL ASSETS

Capital asset activity as of and for the year ended December 31, 2011, for the primary government is as follows:

	<u>Beginning of Period</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Period</u>
Capital Assets Being Depreciated:				
Building, Machinery, & Equipment	\$ 659,599	\$ 204,640	\$ -0-	\$ 864,239
Less Accumulated Depreciation:	<u>(223,315)</u>	<u>(60,740)</u>	<u>-0-</u>	<u>(284,055)</u>
Capital Assets, Net of Depreciation	<u>\$ 436,284</u>	<u>\$ 143,900</u>	<u>\$ -0-</u>	<u>\$ 580,184</u>

5. ACCOUNTS AND OTHER PAYABLES

The payables of \$11,432 at December 31, 2011, were as follows:

Vendors Payable	\$ 343
Accrued Interest	<u>11,089</u>
Total	<u>\$ 11,432</u>

6. LONG-TERM OBLIGATIONS

A.) On May 14, 2009, the Summerville-Rosefield Volunteer Fire Department entered into a lease agreement with Oshkosh Capital for the purchase of a fire truck. Principal borrowed was \$227,858 at an interest rate of 5.413%. \$20,000 was due by May 22, 2009, and the remaining balance payable in 10 annual installments of \$27,460 each commencing on May 22, 2010, and ending on May 22, 2019.

B.) On April 27, 2011, the Summerville-Rosefield Volunteer Fire Department entered into a lease agreement with Oshkosh Capital for the purchase of a Tanker/Fire truck. Principal borrowed was \$168,090 at an interest rate of 5.050%. \$20,000 was due on April 27, 2011, and the remaining balance payable in 10 annual installments of \$18,997 each commencing on January 27, 2012, and ending on January 27, 2021.

**Summerville-Rosefield
Volunteer Fire Department**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

The following is a summary of leases payable transactions of the Summerville-Rosefield Volunteer Fire Department for the year ended December 31, 2011.

	Balance 12/31/2010	Additions	Deletions	Balance 12/31/2011
2009 Fire Truck Lease	\$ 191,648	\$ -0-	\$ (17,087)	\$ 174,561
2011 Fire/Tanker Truck Lease	-0-	168,090	(20,000)	148,090
Total	\$ 191,648	\$ 168,090	\$ (37,087)	\$ 322,651

PAYMENTS TO MATURITY

Year Ending	2009 Fire Truck	2011 Fire/Tanker Truck	Total
2012	\$ 27,461	\$ 18,997	\$ 46,458
2013	27,461	18,997	46,458
2014	27,461	18,997	46,458
2015	27,461	18,997	46,458
2016	27,461	18,997	46,458
2017-2021	82,383	94,985	177,368
Total	\$ 219,688	\$ 189,970	\$ 409,658

**7. SCHEDULE OF FEES PAID TO BOARD MEMBERS FOR THE YEAR ENDED
DECEMBER 31, 2011**

David Smith – President
Leon Keel – Vice President
Johnny Jones, Sr. – Board Member
K P Wilson – Board Member
Shelby Montpelier – Board Member

Board members are paid \$-0- per meeting when present.

Required Supplementary Information

**Summerville-Rosefield
Volunteer Fire Department
Budgetary Comparison Schedule
Year Ended December 31, 2011**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES				
Ad Valorem Tax	\$ 90,000	\$ 125,000	\$ 134,373	\$ 9,373
Loan Proceeds	-0-	148,090	168,090	20,000
2% Fire Insurance Tax	5,500	6,300	6,408	108
Miscellaneous	-0-	5,200	5,643	443
Interest Income	-0-	-0-	215	215
TOTAL REVENUES	<u>95,500</u>	<u>284,590</u>	<u>314,729</u>	<u>30,139</u>
EXPENDITURES				
Capital Purchases	40,000	168,090	204,640	(36,550)
Insurance	17,000	17,500	16,986	514
Auto Expense	7,500	41,000	27,778	13,222
Repairs & Maintenance	5,000	36,500	8,935	27,565
Office Expense	8,500	9,000	6,491	2,509
Utilities	6,000	7,000	4,686	2,314
Training	2,500	10,499	8,531	1,968
Debt Service	-0-	27,500	47,461	(19,961)
Miscellaneous	9,000	1	-0-	1
TOTAL EXPENDITURES	<u>95,500</u>	<u>317,090</u>	<u>325,508</u>	<u>(8,418)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -0-</u>	<u>\$ (32,500)</u>	<u>(10,779)</u>	<u>\$ 21,721</u>
FUND BALANCE - BEGINNING			<u>154,664</u>	
FUND BALANCE - ENDING			<u>\$ 143,885</u>	

See accountant's report
The accompanying notes are an integral part of this statement



Other Reports

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Jonathan M Vercher M S , C P A
jonathanvercher@centurytel.net

JOHN R. VERCHER PC
Certified Public Accountants

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Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MANAGEMENT LETTER COMMENTS

During the course of our review, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the District's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

No Findings.

**SUMMERVILLE-ROSEFIELD
VOLUNTEER FIRE DEPARTMENT**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Summerville-Rosefield Volunteer Fire Department, Jena, Louisiana has provided the following action summaries relating to findings brought to their attention as a result of their financial compilation for the year ended December 31, 2010.

PRIOR YEAR FINDINGS

No Findings.

**Summerville-Rosefield Volunteer Fire Department
LOUISIANA ATTESTATION QUESTIONNAIRE**

JOHN R. VERCHER PC
Certified Public Accountants
P O. Box 1608
Jena, Louisiana 71342
Tel. (318) 992-6348
Fax: (318) 992-4374

In connection with your review of our financial statements as of December 31, 2011 and for the year 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 March 20, 2012 (date of completion/representations)

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24 513.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42 1 through 42-12

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39 1410 60.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14-138, and AG opinion 79-729.

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 foregoing laws and regulations

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 acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report

Signed. Dave Smith

Title President