

8384

RECEIVED
LEGISLATIVE AUDITOR

04 JUL -1 AM 11:20

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

Financial Report

Year Ended December 31, 2003

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 _____

TABLE OF CONTENTS

	Page
Accountants' Report	1
FINANCIAL STATEMENTS	
Statements of financial position	3
Statements of activities	4
Statements of cash flows	5
Notes to financial statements	6-10
SUPPLEMENTAL INFORMATION	
Accountants' Report on Applying Agreed-upon Procedures	12-14

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

P.O. Box 531
Marksville, LA 71351

Phone (318) 253-9252
Fax (318) 253-8681

WEB SITE:
WWW.KCSRCPAS.COM

Robert S. Carter, CPA
Alan J. LaBry, CPA
Harry J. Closto, CPA
Penny Angelle Scroggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA, CVA

MEMBER OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

ACCOUNTANTS' REPORT

* A Professional Accounting Corporation

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

We have compiled the accompanying statement of financial position of Fifth Ward Volunteer Fire Department, Inc. (a nonprofit organization), as of December 31, 2003, 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.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Marksville, Louisiana
May 5, 2004

183 South Beadle Road
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddil
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 W Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

FINANCIAL STATEMENTS

FIFTH WARD VOLUNTEER FIRE DEPARTMENT
Marksville, Louisiana

Statement of Financial Position
(Unaudited)
December 31, 2003

ASSETS

Current assets:

Cash and cash equivalents	\$ 11,867
Accounts receivable	<u>37,673</u>
Total current assets	<u>49,540</u>

Fixed assets:

Building and improvements	185,618
Equipment	77,498
Trucks	<u>283,244</u>
Total fixed assets	546,360
Less: accumulated depreciation	<u>(286,447)</u>
Net fixed assets	<u>259,913</u>

Total assets	<u>\$ 309,453</u>
--------------	-------------------

LIABILITIES AND NET ASSETS

Current liabilities:

Current portion of notes payable	\$ 24,679
Accounts payable	241
Accrued interest payable	<u>1,218</u>
Total current liabilities	26,138

Long-Term liabilities:

Notes payable (net of current portion)	<u>32,278</u>
Total liabilities	<u>58,416</u>

Net Assets:

Unrestricted net assets -	
Operations	49,299
Fixed assets	<u>201,738</u>
Total unrestricted net assets	<u>251,037</u>

Total liabilities and net assets	<u>\$ 309,453</u>
----------------------------------	-------------------

See accountants' report.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT
Marksville, Louisiana

Statement of Activities
(Unaudited)
For the year Ended December 31, 2003

Support and revenue:

Support

Contributions \$ 1,200

Total support 1,200

Revenue

Ad valorem taxes 32,176

Fire insurance rebate 6,976

Miscellaneous 590

Grants 48,600

Total revenue 88,342

Total support and revenue 89,542

Expenses:

Advertising 36

Fuel 420

Depreciation 25,181

Bank Charges 56

Dues and Subscriptions 380

Training 1,652

Insurance 5,708

Interest 5,118

Office 178

Repairs 7,634

Telephone 460

Accounting 800

Other 809

Total expenses 48,432

Change in net assets 41,110

Net assets, beginning of year 209,927

Net assets, end of year \$251,037

See accountants' report.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT
Marksville, Louisiana

Statement of Cash Flows
(Unaudited)
For the year Ended December 31, 2003

Cash flows provided for operating activities:	
Change in net assets	<u>\$ 41,110</u>
Adjustments to reconcile change in net assets to net cash provided for operating activities -	
Depreciation	25,181
Decrease in accounts receivable	14,313
Increase in accounts payable	<u>43</u>
Total adjustments	<u>39,537</u>
Net cash provided for operating activities	<u>80,647</u>
Cash flows from investing activities:	
Purchase of equipment	<u>(63,666)</u>
Total cash used for investing activities	<u>(63,666)</u>
Cash flows from financing activities:	
Increase in accrued interest payable	123
Payment of principle on notes	(30,005)
Proceeds from short-term financing	<u>10,000</u>
Net cash provided from financing activities	<u>(19,882)</u>
Net increase in cash and cash equivalents	(2,901)
Cash and cash equivalents, beginning of year	<u>14,768</u>
Cash and cash equivalents, end of year	<u>\$ 11,867</u>

See accountants' 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.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
Marksville, Louisiana

Notes to Financial Statements

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 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.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
Marksville, Louisiana

Notes to Financial Statements

(2) Deposits and Investments

Deposits

At year-end, the carrying amount of the Fire Department's deposits was \$11,867 and the bank balance was \$11,867. Of the bank balance, \$11,867 was covered by federal depository insurance. Of this amount, \$5,306 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, 2003.

(3) Accounts Receivable

The billed receivable balance at December 31 of \$37,673 consisted of property taxes due from the Fire Protection District No. 2 of \$37,373, and \$300 receivable from the Avoyelles Parish Police Jury.

(4) Fixed Assets

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

	<u>Balance</u> <u>12/31/2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2003</u>
Land and buildings	\$ 175,000	\$ 10,618	\$ -	\$ 185,618
Equipment	58,492	19,006	-	77,498
Trucks	249,202	34,042	-	283,244
	<u>\$ 482,694</u>	<u>\$ 63,666</u>	<u>\$ -</u>	<u>\$ 546,360</u>

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
Marksville, Louisiana

Notes to Financial Statements

(5) Changes in Long-term Debt

The following is a summary of note transactions of the Fire Department for the year ended December 31, 2003:

Notes payable at 12/31/02	\$ 76,962
Debt issued	10,000
Principal payments	<u>(30,005)</u>
Notes payable at 12/31/03	<u>\$ 56,957</u>

Notes payable (current and long-term portions) are financed with Federal Signal Corporation, Oak Brook, IL.

Notes payable at December 31, 2003 consist of the following individual liabilities:

\$134,408 unsecured note, dated October 12, 2000 bearing interest at 6.49% per annum. Final maturity date October 12, 2007. Annual payments of \$18,515.	\$ 46,957
\$10,000 unsecured note, dated February 12, 2003 bearing interest at 6.00% per annum. Final maturity date February 12, 2004. Annual payment of \$10,627.	<u>10,000</u>
	56,957
Less current portion	<u>(24,679)</u>
Long-term portion of notes payable	<u>\$ 32,278</u>

The annual requirements to amortize all notes outstanding at December 31, 2003 are as follow:

Period Ending Dec. 31,	Principal	Interest	Total
2004	\$ 24,679	\$ 3,674	\$ 28,353
2005	15,632	2,095	17,727
2006	<u>16,646</u>	<u>1,080</u>	<u>17,726</u>
Total	<u>\$ 56,957</u>	<u>\$ 6,849</u>	<u>\$ 63,806</u>

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
Marksville, Louisiana

Notes to Financial Statements

6) Retirement Commitments

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

7) Commitments and Contingencies

As of December 31, 2002 there were no lawsuits against the Fire Department.

8) Federal Grants

During the year ended December 31, 2003, the district purchased a brush truck for \$54,000. The brush truck was purchased with grant proceeds from FEMA in the amount of \$48,600 and local monies in the amount of \$5,400.

SUPPLEMENTAL INFORMATION

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

P.O. Box 531
Marksville, LA 71351

Phone (318) 253-9252
Fax (318) 253-8681

WEB SITE:
WWW.KCSRCPAS.COM

Robert S. Carter, CPA
Allen J. LaBry, CPA
Harry J. Closto, CPA
Penny Angelle Scuggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA, CVA

MEMBER OF,
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

* A Professional Accounting Corporation

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

We 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, 2003 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 or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

The District purchased a brush truck for \$54,000. Because the specifications were detailed the District searched for a truck and had FEMA approve the purchase.

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

183 South Beadle Road
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddil
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 W. Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

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 10 disbursements made during the period under examination and:

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

We examined supporting documentation for each of the ten 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 ten 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.

We inspected copies of all bank deposit slips for the period under examination and noted proceeds from a loan of \$10,000 were received.

- 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.

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 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.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Marksville, Louisiana
May 5, 2004

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

06/28/04

Kolder, Champagne, Slaven, and Company
133 East Waddill Street
P.O. Box 531
Marksville, LA 71351

In connection with your compilation of our financial statements as of December 31, 2003 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 May 5, 2004.

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

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

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.

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.

Secretary	<u><i>M. J. Hawn</i></u>	Date	<u>6/21/04</u>
Treasurer		Date	
President	<u><i>Wendell Spohn</i></u>	Date	<u>6-21-04</u>