

HEFLIN VOLUNTEER FIRE DEPARTMENT, INC.

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2017

HEFLIN VOLUNTEER FIRE DEPARTMENT, INC.
Heflin, Louisiana

TABLE OF CONTENTS

DECEMBER 31, 2017

	<u>Page</u>
Independent Accountants' Review Report	1
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6
 <u>Other Reports</u>	
Independent Accountant's Report on Applying Agreed Upon Procedures	12
Louisiana Attestation Questionnaire	15
 <u>Supplemental Information Schedules:</u>	
Schedules of Compensation Paid Board Members	18
Schedule of Compensation, Benefits to Agency Head	19
Schedule of Current Year Findings	20
Summary Schedules of Prior Year Findings	21

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Independent Accountant's Review Report

The Board of Commissioners
Heflin Volunteer Fire Department, Inc.
Heflin, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Heflin Volunteer Fire Department, Inc., as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Department'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 management. 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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 accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical content.

W. M. T. G. L.

Minden, LA
July 31 2018

FINANCIAL STATEMENTS

HEFLIN VOLUNTEER FIRE DEPARTMENT, INC.

Statement of Financial Position
December 31, 2017

ASSETS

Current Assets

Cash \$ 9,547

Property Plant & Equipment

Property Plant & Equipment 1,194,184

Less Accumulated Depreciation (567,552)

Total Property Plant & Equipment 626,632

Total Assets 636,179

LIABILITIES AND NET ASSETS

Liabilities:

Accounts Payable 529

Net Assets Unrestricted 635,650

Total Liabilities and Net Assets \$ 636,179

HEFLIN VOLUNTEER FIRE DEPARTMENT, INC.

Statement of Activities
For the year ended December 31, 2017

	<u>2017</u>
REVENUES	
Fire Protection Fees	405,000
2% fire rebate	6,901
Grant Income	-
Other Income	80
Total revenues	<u>411,981</u>
EXPENSES:	
Program Services:	
Legal and professional	975
Office supplies and postage	111
License and fees	2,118
Truck expense	471
Repairs and maintenance	16,329
Utilities & Telephone	3,527
Fire fighting equipment and supplies	-
Insurance	13,934
Depreciation	49,225
Other	6,015
Total expenditures	<u>92,705</u>
Increase in Unrestricted Net Assets	319,276
Net Assets at beginning of year	<u>316,374</u>
Net Assets at End of Year	<u><u>635,650</u></u>

HEFLIN VOLUNTEER FIRE DEPARTMENT, INC.
Statement of Cash Flows
Year Ended December 31, 2017

	2017
Cash flows from operating activities:	
Increase in net assets	\$ 319,276
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Change in AP	361
Depreciation	49,225
Net cash provided by operating activities	368,862
Cash flows from investing activities:	
Purchase of Assets	(363,030)
Cash flows from financing activities:	-
Decrease in cash and cash equivalents	5,832
Cash and cash equivalents at beginning of year	3,715
Cash and cash equivalents at end of year	\$ 9,547

HEFLIN VOLUNTEER FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

Note 1 - Purpose of the Heflin Volunteer Fire Department and Summary of Significant Accounting Policies

a. Purpose of the Heflin Volunteer Fire Department:

The Heflin Volunteer Fire Department, Inc. was formally established in 1998 to assist in fire prevention in the Heflin, Louisiana area. Heflin Volunteer Fire Department's support is derived primarily from an agreement with the Webster Parish (Heflin) Fire Protection Fire Department #12.

b. Basis of Accounting

The Accrual Basis of accounting is used by the Fire Department whereby revenues are recognized when earned and expenses are recognized when incurred.

c. Reporting Entity:

The Heflin Volunteer Fire Department, Inc. is a legally separate, non-profit, quasi-public corporation. It is organized under the laws of the State of Louisiana.

A board of directors, consisting of 5 members govern the Heflin Volunteer Fire Department, Inc.

d. Presentation of Statements

The Fire Department's statements are prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

The Fire Department has the option to apply FASB pronouncements issued after that date to its activities; however, the Fire Department has chosen not to do so because it does not have any business-type activities or enterprise funds. The more significant accounting policies established in GAAP and used by the Fire Department are discussed below.

HEFLIN VOLUNTEER FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

e. Measurement Focus and Basis of Accounting:

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual Basis – Financial Statements:

The Statement of Financial Position Net Assets and the Statement of Activities display information about the Fire Department as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

f. Fixed Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased

Note 1 - Summary of Significant Accounting Policies (continued)

or acquired with an original cost of at least \$500 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Statement of Position. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

For capital assets depreciation is computed and recorded using the straight-line method for the asset's estimated useful life. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings and Improvements	20-40 years
Equipment	5-12 years
Vehicle	5-15 years
Computers	5 years

Depreciation is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

HEFLIN VOLUNTEER FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

g. Related Party Transactions

The Webster Parish Fire District #12 has a working relationship with Heflin Volunteer Fire Department. The Fire District Collects the ad valorem taxes and transfers the money as needed to the Fire Department, which maintains fire protection services in the area.

h. Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Note 2 - Revenue Recognition

Revenues are recorded in the financial statements when they are earned under the accrual basis of accounting.

Note 3 - Income Tax Status

The Fire Department, a non-profit corporation, is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. With few exceptions, the Fire Department is no longer subject to U.S. federal, state, and local income tax examinations by tax authorities for years before 2014.

HEFLIN VOLUNTEER FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

Note 4 - Changes in General Fixed Assets

A summary of changes in general fixed assets is presented below:

	Balance Jan 1, 2017	Additions	Deductions	Balance Dec 31, 2017
Capital assets being depreciated:				
Buildings and Improvements	2,700	-	-	2,700
Property, Plant & Equipment	<u>828,454</u>	<u>363,030</u>	-	<u>1,191,484</u>
Total capital assets being depreciated	<u>\$ 831,154</u>	<u>363,030</u>	-	<u>1,194,184</u>

Note 5 - Changes in General Fixed Assets (continued)

Less accumulated depreciation for:				
Buildings and Improvements	2,700	-	-	2,700
Property, Plant and Equipment	<u>515,627</u>	<u>49,225</u>	-	<u>564,852</u>
Total accumulated depreciated	<u>\$ 518,327</u>	<u>49,225</u>	-	<u>567,552</u>
 Total capital assets being depreciated, net	 <u>\$ 312,827</u>	 <u>313,805</u>	 -	 <u>626,632</u>
Total net capital assets	<u>\$ 312,827</u>	<u>313,805</u>	-	<u>626,632</u>

Note 6 - Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Fire Department considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Under state law, the Fire Department may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2017, the Fire Department's total cash and cash equivalents (**book balance**) was \$9,547. These deposits are stated at cost, which approximates 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 bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. 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. At December 31, 2017, the Fire Department had \$9,657 in deposits (**collected bank balances**). These deposits are fully secured from risk by federal deposit insurance.

HEFLIN VOLUNTEER FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

Note 7 - Board of Directors

Members of the Board of Directors of the Heflin Volunteer Fire Department serve in a volunteer capacity only and receive no per diem or other compensation for their services.

The present board is composed of the following members:

Stewart Beatty	Chief
Joe Beatty	President
Paul Miguez	Captain
Scott Herrington	Captain
Robert Stachowicz	Captain

Note 8 - Subsequent Events

Subsequent events have been evaluated through July 31, 2018, which is the date the financial statements were available to be issued. No items were noted requiring recognition or disclosure in the financial statements for the year ended December 31, 2017.

OTHER REPORTS

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Commssioners
Heflin Volunteer Fire Department, Inc.
Heflin, Louisiana

We have performed the procedures enumerated below, which were agreed to by Any Quasi-Public Agency and the Louisiana Legislative Auditor (the specified parties), on the Agency's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended [date], as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Agency's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Obtain the list of federal, state and local government grant award expenditures for the fiscal year, by grant and grant year, from the Fire Department's management.

The Fire Department provided us with the following list of expenditures made for federal grant awards received during the fiscal year ended December 31, 2017:

The Agency represented that they received no state or local government grant awards during the fiscal year ended December 31, 2017.

2. For each Federal, state, and local award, we randomly selected six disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

There were no Federal, State or local funds awarded in 2017, therefore no disbursements to examine.

3. For the items selected in procedure 2, we traced the disbursements to supporting documentation as to proper amount and payee.

N/A

4. For the items selected in procedure 2, we determined if the disbursements were properly coded to the correct fund and general ledger account.

N/A

5. For the items selected in procedure 2, we determined whether the six disbursements received approval from proper authorities.

N/A

6. For the items selected in procedure 2: For federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

N/A

Eligibility

N/A

Reporting

N/A

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

N/A

Meetings

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Heflin Volunteer Fire Department, Inc. does not hold formal meetings. There are no minutes kept and no minute book. Discussion of operations is discussed during meetings of the Webster Parish (Heflin) Fire Protection Fire Department #12 meetings.

Prior Comments and Recommendations

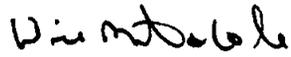
9. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were no suggestions, recommendations, and/or comments in the prior year.

We were not engaged to, and did not perform an audit, 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 Heflin Volunteer Fire Department, Inc., and the Legislative Auditor (State of Louisiana). Under Louisiana Revised Statute 24:513, This report is distributed by the Legislative Auditor as a public document.



Minden Louisiana

July 31, 2018

LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Audit Engagements of Quasi-Public Agencies)

6/30/18 (Date Transmitted)

Wise, Martin & Cole LLC (CPA Firm Name)
601 Main Street (CPA Firm Address)
Minden, LA (City, State Zip)

In connection with your audit of our financial statements as of Dec 31, 2017 and for _____ (period of audit) for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States of America, to assess our internal control structure as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of _____ (date completed/date of the representations).

PART I. Agency Profile

1. Name and address of the organization.

Hoflin Volunteer Fire Dept

2. List names, addresses, and telephone numbers of entity officials. Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel.

See pg 18 of report

3. Period of time covered by this questionnaire.

Jan 1, 2017

4. The entity has been organized under the following provisions of the Louisiana Revised Statute(s) (R.S.) and, if applicable, local resolutions/ordinances.

5. Briefly describe the public services provided.

Fire Protection

6. Expiration date of current elected/appointed officials' terms.

Part II. Federal, State, and Local Awards

7. 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

8. All transactions relating to federal grants have been properly recorded within our accounting records and reported to the appropriate federal grantor officials.

Yes No

9. All transactions relating to state grants have been properly recorded within our accounting records and reported to the state grantor officials.

Yes No []

10. All transactions relating to local grants have been properly recorded within our accounting records and reported to the appropriate local grantor officials.

Yes No []

11. The reports filed with federal agencies are properly supported by books of original entry and supporting documentation.

Yes [] No [] *N/A*

12. The reports filed with state agencies are properly supported by books of original entry and supporting documentation.

Yes No []

13. The reports filed with local agencies are properly supported by books of original entry and supporting documentation.

Yes No []

14. We have complied with all applicable compliance requirements of all federal programs we administer,

Yes [] No [] *N/A*

15. We have complied with all applicable specific requirements of all state programs we administer, to include matters contained in the grant awards.

Yes [] No [] *N/A*

16. We have complied with all applicable specific requirements of all local programs we administer, to include matters contained in the grant awards.

Yes No []

17. We have provided you with all communications from grantors concerning noncompliance with or deficiencies in administering grant programs.

Yes No []

Part III. Public Records

18. We are familiar with the Public Records Act and have made available to the public those records as required by R.S. 44:33.

Yes No []

Part IV. Open Meetings

19. Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

Yes No []

Part V. Budget

20. For each federal grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes [] No [] *N/A*

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

Yes [] No [] *N/A*

22. For each local grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes [] No [] *N/A*

Part VI. Reporting

23. We have had our financial statements audited in a timely manner in accordance with R.S. 24:513.

Yes [] No [] *Audit not required*

24. We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No []

25. We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

The previous responses have been made to the best of our belief and knowledge. 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, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur subsequent to the issuance of your report.

_____	Secretary	_____	Date
_____	Treasurer	_____	Date
<i>Stewart Beatty</i>	<i>CHIEF</i> President	<i>6/1/18</i>	Date

OTHER SUPPLEMENTARY INFORMATION

HEFLIN VOLUNTEER FIRE DEPARTMENT, INC.
Schedule of Compensation Paid Board Members
December 31, 2017

The following serve on the board of commissioners without compensation:

Stewart Beatty	Chief
Joe Beatty	President
Paul Miguez	Captain
Scott Harrington	Captain
Robert Stachowicz	Captain
Harol Thompson	Treasurer

HEFILIN VOLUNTEER FIRE DEPARTMENT, INC.
Schedule of Compensation, Benefits and other Payments to
Agency Head or Chief Executive Officer
December 31, 2017

Agency Head Name: Chairman Stewart Beatty

No salary or benefits are paid to Agency Head

Total Salary and other benefits -0-

HEFLIN VOLUNTEER FIRE DEPARTMENT, INC.
CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
For Year Ended December 31, 2017

Section I – Internal Control over Financial Reporting and Compliance and Other Matters

2017-01 Late submission of financials

Criteria: Louisiana Revised Statutes requires quasi-public entities to report to the Louisiana Legislative Auditor within six months of the District's year end, by June 30, 2018.

Condition: The Volunteer Fire Department failed to file its annual report by June 30, 2018.

Cause: Due to clerical error the related party Webster Parish (Heflin) Fire District #12 was filed timely but the volunteer Fire Department was not filed.

Effect: Louisiana law for report filing was not adhered to.

Recommendation: The Fire Department needs to make sure along with the CPA that the report is completed and filed timely.

Management response: The fire district has always filed timely, just this year due to clerical mistake the report was not sent timely. Management is aware of the reporting requirements and will ensure compliance in the future.

HEFLIN VOLUNTEER FIRE DEPARTMENT, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For Year Ended December 31, 2017

There were no findings reported in the review of the general purpose financial statements of the Heflin Volunteer Fire Department, Inc. as of and for the year ended December 31, 2016.