

WHITE CASTLE VOLUNTEER FIRE DEPARTMENT, INC.

White Castle, Louisiana

FINANCIAL REPORT

(Reviewed)

September 30, 2017

WHITE CASTLE VOLUNTEER FIRE DEPARTMENT, INC.
White Castle, Louisiana

TABLE OF CONTENTS

September 30, 2017

	<u>Exhibit</u>	<u>Page</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT		1
FINANCIAL STATEMENTS		
Statements of Financial Position	A	3
Statements of Activities	B	4
Statements of Cash Flows	C	5
Notes to Financial Statements	D	6
SUPPLEMENTARY INFORMATION	<u>Schedule</u>	
Schedule of Compensation, Benefits and Other Payments to Agency Head	1	10
Independent Auditors' Report on Applying Agreed-Upon Procedures		11
Louisiana Attestation Questionnaire		15



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
White Castle Volunteer Fire Department, Inc.
White Castle, Louisiana

Review of the 2017 Financial Statements

We have reviewed the accompanying financial statements of **WHITE CASTLE VOLUNTEER FIRE DEPARTMENT, INC.** (a nonprofit organization) (Department), which comprise the statement of financial position as of September 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. 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 responsibility 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.

Accountants' 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 AICPA. 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 were not aware of any material modifications that should be made to the accompanying financial statements for them to be in accordance with accounting principles generally accepted in the United States of America.

The supplementary information contained in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to our review engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such supplementary information.

Compilation of 2016 Financial Statements

Management is responsible for the accompanying financial statements of **WHITE CASTLE VOLUNTEER FIRE DEPARTMENT, INC.**, which comprise the statement of financial position as of September 30, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
March 30, 2018

WHITE CASTLE VOLUNTEER FIRE DEPARTMENT, INC.

White Castle, Louisiana

STATEMENTS OF FINANCIAL POSITION

September 30, 2017 and 2016

(See Independent Accountants' Review Report)

	ASSETS	2017	2016
		<u>(Reviewed)</u>	<u>(Compiled)</u>
CURRENT ASSETS			
Cash and cash equivalents		\$ 99,660	\$ 4,857
Certificates of deposit		55,654	54,627
Accounts receivable		2,600	3,200
Due from other governments		<u>25,904</u>	<u>15,928</u>
 Total current assets		 183,818	 78,612
 PROPERTY AND EQUIPMENT- net		 <u>116,577</u>	 <u>133,711</u>
 Total assets		 <u>\$ 300,395</u>	 <u>\$ 212,323</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued expenses		\$ 14,180	\$ 16,301
 NET ASSETS - unrestricted		 <u>286,215</u>	 <u>196,022</u>
 Total liabilities and net assets		 <u>\$ 300,395</u>	 <u>\$ 212,323</u>

The accompanying notes to the financial statements
are an integral part of this statement.

WHITE CASTLE VOLUNTEER FIRE DEPARTMENT, INC.

White Castle, Louisiana

STATEMENTS OF ACTIVITIES

For the years ended September 30, 2017 and 2016

(See Independent Accountants' Review Report)

	2017 (Reviewed)	2016 (Compiled)
REVENUES AND SUPPORT		
Support from Iberville Parish Council	\$ 208,155	\$ 156,929
Donations	515	616
Interest and miscellaneous	1,122	9,696
Total revenues and support	<u>209,792</u>	<u>167,241</u>
EXPENSES		
Maintenance	33,355	63,765
Supplies	24,481	91,998
Office	22,563	27,646
Depreciation	20,134	19,086
Contracted services	11,647	14,963
Professional	3,380	4,400
Training	2,431	2,802
Other	1,608	3,066
Total expenses	<u>119,599</u>	<u>227,726</u>
Change in net assets	90,193	(60,485)
NET ASSETS		
Beginning of year	<u>196,022</u>	<u>256,507</u>
End of year	<u>\$ 286,215</u>	<u>\$ 196,022</u>

The accompanying notes to the financial statements
are an integral part of this statement.

WHITE CASTLE VOLUNTEER FIRE DEPARTMENT, INC.

White Castle, Louisiana

STATEMENTS OF CASH FLOWS

For the years ended September 30, 2017 and 2016

(See Independent Accountants' Review Report)

	2017 (Reviewed)	2016 (Compiled)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 90,193	\$ (60,485)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	20,134	19,086
Change in operating assets and liabilities:		
Accounts receivable	600	5,800
Due from other governments	(9,976)	(10,894)
Accounts payable and accrued expenses	(2,121)	6,439
Net cash (used) provided by operating activities	<u>98,830</u>	<u>(40,054)</u>
CASH FLOWS USED BY INVESTING ACTIVITIES		
Purchase of property and equipment	(3,000)	(20,026)
Investments in certificate deposits	<u>(1,027)</u>	<u>(2,198)</u>
Net cash used by investing activities	<u>(4,027)</u>	<u>(22,224)</u>
Net (decrease) increase in cash	94,803	(62,278)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>4,857</u>	<u>67,135</u>
End of year	<u>\$ 99,660</u>	<u>\$ 4,857</u>

The accompanying notes to the financial statements
are an integral part of this statement.

WHITE CASTLE VOLUNTEER FIRE DEPARTMENT, INC.
White Castle, Louisiana

NOTES TO FINANCIAL STATEMENTS

(See Independent Accountants' Review Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

White Castle Volunteer Fire Department, Inc. (Department) is a non-profit corporation that provides fire protection, emergency medical service, and hazardous materials handling to the citizens of the Town of White Castle (the Town) and its outlying areas. The Department has entered into certain transactions, described below, with the Town to provide these services.

The Department is dependent on support from the local community by enlisting volunteer labor to provide fire protection, emergency medical service, and hazardous materials handling services.

Basis of accounting

The Department maintains its financial statements and related records on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable.

The Department reports information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Department does not have any temporarily or permanently restricted net assets at September 30, 2017 and 2016.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation and contributed support in these financial statements.

Income taxes

The Department is a not-for-profit organization that is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Department's open audit periods are 2014 through 2017.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

The Department is primarily funded by an allocation of dedicated parish-wide sales tax proceeds. Supplementary funding is provided by donations solicited from the general public, local businesses, and civic organizations, which is recognized as received.

Cash and cash equivalents

For purposes of the statement of cash flows, the Department considers cash in bank accounts as cash. Cash equivalents include investments with original maturities of three months or less. The Department has no cash equivalents at September 30, 2017 and 2016. The Department typically maintains cash at a local bank that may, at times, exceed the FDIC limits. Management believes the risk is limited.

Fair value of financial instruments

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), *Fair Value Measurements* (ASC 820), establishes a framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs (sources of pricing information) to valuation techniques used to measure fair value. The highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Department has the ability to access.

Level 2 – Inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement.

Certificates of deposit are recorded at cost, which approximates fair market value using level 2 inputs.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value of financial instruments (continued)

The carrying value of cash, accounts receivable, due from governments, and accounts payable and accrued expenses approximates fair value due to the short-term maturity of these instruments. Financial instruments are not held for trading purposes.

Property, equipment, and depreciation

Equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated service lives of the assets.

Subsequent events

In preparing the financial statements, the Department has evaluated events and transactions for potential recognition or disclosure through the date of the independent accountants' review report, March 30, 2018 which is the date that the financial statements were available to be issued.

NOTE 2 - CERTIFICATES OF DEPOSIT

At September 30, 2017 and 2016, the Department held certificates of deposit (CD) with a market value and cost of \$55,654 and \$54,627, respectively. Interest earnings are reinvested into the CD, and therefore, fair market value equals the cost of the investment.

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment, related service lives, and accumulated depreciation at September 30, 2017 and 2016, is as follows:

<u>Description</u>	<u>Estimated Service Lives</u>	<u>2017</u>	<u>2016</u>
Equipment	3-7 years	\$ 473,222	\$ 470,222
Fire trucks	10 years	349,668	349,668
Buildings and improvements	30 years	104,798	104,798
Training facility	15-30 years	54,768	54,768
Vehicles	5 years	20,655	20,655
Land improvements	10-15 years	<u>18,428</u>	<u>18,428</u>
		1,021,539	1,018,539
Less accumulated depreciation		<u>(904,962)</u>	<u>(884,828)</u>
		<u>\$ 116,577</u>	<u>\$ 133,711</u>

Depreciation expense was \$20,134 and \$19,086 for the years ended September 30, 2017 and 2016, respectively.

NOTE 4 - RELATED PARTY TRANSACTIONS/ ECONOMIC DEPENDENCY

The Department derives a significant portion of its revenues from an allocation of a dedicated parish-wide sales tax, from the Council in exchange for providing fire protection and other services to certain areas of the Parish. The loss of these revenues would have a material adverse effect on the Department. During the years ended September 30, 2017 and 2016, revenue derived from the Council accounted for approximately 99% and 94% of total revenue, respectively.

The Department utilizes facilities and equipment provided by the Town. Governmental Accounting Standards Board (GASB) No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, requires only payments for payroll and related benefit expenses to be recorded when one entity provides non-cash support to another entity. The valuation relating to the utilization of the facilities and equipment are not reflected in the Statement of Activities as in-kind revenue and expenses.

The Town budgets an amount to be expended in support of the Department, primarily for maintenance, fuel and salary supplement. The amount of such expenditures in 2017 and 2016 was \$6,379 and \$8,606, respectively, and is included in the financial statements.

WHITE CASTLE VOLUNTEER FIRE DEPARTMENT, INC.
White Castle, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD**

September 30, 2017
(Without Audit)

Agency Head: John Marque, Jr.

No compensation paid from public funds.

WHITE CASTLE VOLUNTEER FIRE DEPARTMENT, INC.
White Castle, Louisiana

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

September 30, 2017



**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Board of Directors
White Castle Volunteer Fire Department, Inc.
Bayou Pigeon, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of the **WHITE CASTLE VOLUNTEER FIRE DEPARTMENT, INC.** (the Department) and the Legislative Auditor, State of Louisiana, solely to assist you in evaluating management's assertions about the Department's compliance with certain laws and regulations for the year ended September 30, 2017, included in the accompanying *Louisiana Attestation Questionnaire*. Management of the Department is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants, and applicable standards. The sufficiency of these procedures is solely the responsibility of the specified users of this 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.

With respect to your representations relating to the federal, state, and local awards compliance, as of September 30, 2017, and for the year then ended, we applied the following agreed-upon procedures:

Federal, State, and Local Awards

1. Determine the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

The Department's expenditures for all public funds for 2017 were:

<u>Award description</u>	<u>Amount expended</u>
Iberville Parish Council – sales tax appropriation	\$ <u>208,155</u>

The Department did not receive any federal or state awards during the year ended September 30, 2017.

For each federal, state, and local award, randomly select six disbursements from the awards during the period under examination, provided that no more than 30 disbursements would be selected.

We selected six disbursements for review from the Iberville Parish Council sales tax appropriation.

2. For the items selected in Procedure 2, trace the six disbursements to supporting documentation as to proper amount and payee.

No exceptions noted.

3. For the items selected in Procedure 2, determine if the six disbursements are properly coded to the correct fund and general ledger account.

No exceptions noted.

4. For the items selected in Procedure 2, determine whether the six disbursements received approval from proper authorities.

No exceptions noted.

5. For the items selected in Procedure 2, for federal awards, determine 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, determine whether the disbursements comply with the grant agreement.

No exceptions noted. There were no federal or state awards.

6. For programs selected for testing in Procedure 2 that had been closed out during the period under review, compare the close-out report, when required, with the Department's financial records to determine whether the amounts agree.

There are no reporting requirements within the agreement with the Iberville Parish Council.

Open Meetings

7. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meetings as required by R.S. 41:11 through 42:28 (the open meetings law).

The open meetings law is not applicable to the Department.

Budget

8. For all grants exceeding five thousand dollars, determine that each applicable federal, state, or local grantor agency/agencies were provided with a comprehensive budget of those grants

that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

The local monies received were related to an allocation of sales taxes to various volunteer fire departments for the purpose of public safety. The monies were utilized for the goals and objectives of public safety. Budgets are not required.

Prior Comments and Recommendations

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

There were no reported prior year comments and recommendations.

We were not engaged to perform and did not perform, an audit, the objective of which would be an expression of 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 information and use of the Board of Directors and management of the 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 Statutes 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
March 30, 2018

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

_____ 3/7/18 _____ (Date Transmitted)

Faulk & Winkler, LLC _____ (CPA Firm Name)
6811 Jefferson Hwy. _____ (CPA Firm Address)
Burr Ridge, LA 70006 _____ (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of _____ (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

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 local 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.

Yes [] No []

Open Meetings

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 at <http://app1.la.state.la.us/lala.nsf>, to determine whether a non-profit agency is subject to 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 []

Reporting

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

Prior-Year Comments

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

Yes No

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No

We have evaluated our compliance with these laws and regulations prior to making these representations.

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.

Yes No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes No

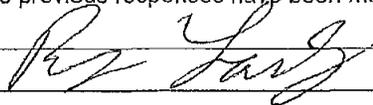
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes No

The previous responses have been made to the best of our belief and knowledge.

	Secretary	_____	Date
Randy London	Treasurer	3-7-18	Date
_____	President	_____	Date