

SEVENTH DISTRICT VOLUNTEER FIRE DEPARTMENT
Gonzales, Louisiana

FINANCIAL REPORT
(Compiled)

December 31, 2018

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Seventh District Volunteer Fire Department
Gonzales, Louisiana

Management is responsible for the accompanying financial statements of the **SEVENTH DISTRICT VOLUNTEER FIRE DEPARTMENT** (a nonprofit organization) (Department), which comprise the statement of financial position - cash basis as of December 31, 2018, the related statement of activities - cash basis, and the statement of functional expenses – cash basis for the year then ended, and the related notes to the financial statements - cash basis, in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. 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. The prior year summarized comparative information has been derived from the Department's 2017 compiled financial statements, and in our report dated June 7, 2018, we did not express an opinion.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than 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. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
June 7, 2019

SEVENTH DISTRICT VOLUNTEER FIRE DEPARTMENT

Gonzales, Louisiana

STATEMENT OF FINANCIAL POSITION - CASH BASIS

December 31, 2018

(with comparative amounts for 2017)

(See Independent Accountants' Compilation Report)

ASSETS - CURRENT

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ <u>198,752</u>	\$ <u>163,166</u>

NET ASSETS

NET ASSETS

Without donor restrictions	\$ 198,204	\$ 161,115
With donor restrictions	<u>548</u>	<u>2,051</u>
	<u>\$ 198,752</u>	<u>\$ 163,166</u>

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

SEVENTH DISTRICT VOLUNTEER FIRE DEPARTMENT

Gonzales, Louisiana

STATEMENT OF ACTIVITIES - CASH BASIS

For the year ended December 31, 2018
(with summarized comparative totals for 2017)

(See Independent Accountants' Compilation Report)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2018	2017
REVENUES AND SUPPORT				
State fire insurance rebate	\$ 46,726	\$ -	\$ 46,726	\$ 50,934
Donations	26,485	-	26,485	2,977
Membership dues and other	-	-	-	2,382
Net assets released from restrictions	1,503	(1,503)	-	-
Total revenues, support, and net assets released from restrictions	74,714	(1,503)	73,211	56,293
EXPENSES				
Utilities	9,431	-	9,431	9,030
Equipment	6,142	-	6,142	4,186
Training	4,780	-	4,780	12,192
Advertising	4,071	-	4,071	906
Professional services	3,058	-	3,058	3,299
Travel	2,233	-	2,233	70
Supplies	2,088	-	2,088	3,551
Membership and dues	1,305	-	1,305	1,181
Postage	1,071	-	1,071	94
Telephone	961	-	961	960
Repairs and maintenance	155	-	155	6,346
Printing and reproduction	89	-	89	165
Other	2,241	-	2,241	234
Total expenses	37,625	-	37,625	42,214
Change in net assets	37,089	(1,503)	35,586	14,079
NET ASSETS				
Beginning of year	161,115	2,051	163,166	149,087
End of year	\$ 198,204	\$ 548	\$ 198,752	\$ 163,166

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

SEVENTH DISTRICT VOLUNTEER FIRE DEPARTMENT
Gonzales, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS

December 31, 2018

(See Independent Accountants' Compilation Report)

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
EXPENSES				
Utilities	9,431	-	-	9,431
Equipment	6,142	-	-	6,142
Training	4,780	-	-	4,780
Advertising	1,217	-	2,854	4,071
Professional services	-	3,058	-	3,058
Travel	2,233	-	-	2,233
Supplies	2,088	-	-	2,088
Memberships and dues	1,305	-	-	1,305
Postage	-	1,071	-	1,071
Telephone	-	961	-	961
Repairs and maintenance	155	-	-	155
Printing and reproduction	-	89	-	89
Other	2,241	-	-	2,241
	<u>29,592</u>	<u>5,179</u>	<u>2,854</u>	<u>37,625</u>
Total expenses	<u>\$ 29,592</u>	<u>\$ 5,179</u>	<u>\$ 2,854</u>	<u>\$ 37,625</u>

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

SEVENTH DISTRICT VOLUNTEER FIRE DEPARTMENT
Gonzales, Louisiana

NOTES TO FINANCIAL STATEMENTS - CASH BASIS

(See Independent Accountants' Compilation Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

The Seventh District Volunteer Fire Department (Department) is a non-profit corporation. The purpose of the Department is to provide fire protection, emergency medical service, and hazardous materials handling to the citizens of the Department's district within the Parish of Ascension, Louisiana.

Basis of accounting

The Department's accounts are maintained on the cash basis, and the statement of financial position, the statement of activities, and the statement of functional expenses reflect only cash received and disbursed. Therefore, receivables, property, payables, accrued income and expenses, which may be material in amount, are not reflected in the accompanying financial statements. As such, these statements are not intended to present the financial position, results of operations and cash flows in conformity with generally accepted accounting principles.

The Department reports information regarding their financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

- *Net Assets Without Donor Restriction* - Net assets that are not subject to or are no longer subject to donor-imposed stipulations.
- *Net Assets With Donor Restriction* - Net assets whose use is limited by donor-imposed time and/or purpose restrictions

The compiled financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Department's compiled financial statements for 2017, from which the summarized information was derived.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New accounting pronouncement

During the year ended December 31, 2018, the Department adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 - Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). This Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 3).

The accompanying summarized information from the 2017 financial statements has been restated to conform to the 2018 presentation and disclosure requirements of ASU 2016-14. However, the prior year balance remains the same as the Department did not receive any donations with restrictions in 2017.

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 follows the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10, *Income Taxes*. Management of the Department believes it has no material uncertain tax positions and, accordingly it has not recognized any liability for unrecognized tax benefits. The Department's open audit periods are 2015 through 2018.

Revenue recognition

The Department is primarily funded by an allocation of an insurance rebate provided by the State of Louisiana through the Parish of Ascension. Supplemental funding is provided by donations solicited from the general public, local businesses, and civic organizations, which are recognized when received.

Advertising

Advertising costs are expensed as incurred.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash equivalents include investments with original maturities of three months or less. The Department has no cash equivalents at December 31, 2018.

Fair value of financial instruments

The carrying value of cash approximates fair value due to the short-term maturity of this instrument.

Reclassification

Certain prior year expenses have been reclassified for consistency with the current period presentation.

Subsequent events

In preparing the financial statements, the Department has evaluated events and transactions for potential recognition or disclosure through June 7, 2019, which was the date the financial statements were available to be issued.

NOTE 2 - RELATED PARTY TRANSACTIONS

Since the Department provides a service that would otherwise be provided by Ascension Parish Council (the Council) through a fire protection district, the Council provides support including assuming certain costs and providing the facilities and equipment used by the Department.

During 2017, the Department sponsored a fundraiser to pay for the medical expenses for a Department officer. These funds were recognized as temporarily restricted revenues. In 2018, \$1,503 of the restricted revenues were disbursed.

The Department utilizes firehouse facilities provided by Ascension Parish Government. 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 these facilities are not reflected in the Statement of Activities – Cash Basis as in-kind revenue and expenses.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

As part of the Department's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As of the balance sheet date the Department has \$198,752 in cash and cash equivalents available for general expenditures within the upcoming year.

SEVENTH DISTRICT VOLUNTEER FIRE DEPARTMENT

Gonzales, Louisiana

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

December 31, 2018

(Without Audit)

Agency Head: Alden Gautreau

No compensation paid from public funds.