

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
Marksville, Louisiana

Financial Statements
For the Year Ended December 31, 2017

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Roy K. Derbonne, Jr., LLC

Certified Public Accountant
1101 Bolton Avenue, Suite A
Alexandria, Louisiana 71301-6878

Tel: 318-445-6778
Fax: 318-445-8967

Member
Society of Louisiana C.P.A.'s

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

Management is responsible for the accompanying financial statements of the governmental activities of Fifth Ward Volunteer Fire Department, Inc. (a not-for-profit organization), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I 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. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Supplementary Information

The accompanying Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive, found on page 10 and the Schedule of Findings, found on pages 11 and 12 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the representation of management. The information was subject to my compilation engagement. I have not audited or reviewed the required supplementary information and do not express an opinion, conclusion, nor provide any form of assurances on such supplementary information.



Roy Derbonne
Certified Public Accountant

Alexandria, Louisiana
January 8, 2019

FINANCIAL STATEMENTS

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
Marksville, Louisiana

Statement of Net Assets
December 31, 2017
(Unaudited)

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 92,315
Accounts Receivable	<u>105,098</u>
Total Current Assets	197,413

Non-Current Assets

Nondepreciable Capital Assets	12,000
Depreciable Capital Assets, Net	<u>455,598</u>
Total Non-Current Assets	<u>467,598</u>

Total Assets

\$ 665,011

LIABILITIES

Current Liabilities

Accounts Payable	296
Current Portion of Long-Term Debt	18,507
Accrued Interest Payable	<u>724</u>
Total Current Liabilities	19,527

Long-Term Liabilities

Note Payable	<u>179,730</u>
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Total Liabilities

199,257

Net Assets

Unrestricted	<u>465,754</u>
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Total Net Assets

465,754

Total Liabilities and Net Assets

\$ 665,011

See independent accountant's compilation report.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.

Marksville, Louisiana

Statement of Activities
For the Year Ended December 31, 2017
(Unaudited)

Revenues	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Contributions	\$ 1,080	\$ -	\$ -	\$ 1,080
Ad Valorem Taxes	110,309	-	-	110,309
Fire Insurance Rebate	11,786	-	-	11,786
Miscellaneous	143	-	-	143
Total Revenues	123,318	-	-	123,318
Operating Expenses				
Fuel	830	-	-	830
Depreciation	37,439	-	-	37,439
Training	2,100	-	-	2,100
Utilities	2,121	-	-	2,121
Awards and Donations	109	-	-	109
Insurance	10,951	-	-	10,951
Meeting Expense	3,046	-	-	3,046
Office	2,143	-	-	2,143
Repairs	9,271	-	-	9,271
Uniforms	1,075	-	-	1,075
Accounting	1,100	-	-	1,100
Fireman's Per Diem	6,590	-	-	6,590
Supplies	1,106	-	-	1,106
Interest	9,998	-	-	9,998
Other	1,706	-	-	1,706
Total Governmental Activities	\$ 89,585	\$ -	\$ -	\$ 89,585
Changes in Net Assets				33,733
Net Assets, Beginning of Year				432,021
Net Assets, End of Year				\$ 465,754

See independent accountant's compilation report.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
Marksville, Louisiana

Statement of Cash Flows
For the Year Ended December 31, 2017
(Unaudited)

Cash Flows Provided by Operating Activities:	
Change in Net Assets	\$ 33,733
Adjustments to Reconcile Change in Net Assets -	
Depreciation	37,438
Increase in Accounts Receivable	(22,219)
Increase in Accounts Payable	(2,915)
Increase in Interest Payable	724
Total Adjustments	<u>13,028</u>
Net Cash Provided by Operating Activities	46,761
Cash Flows from Investing Activities:	
Purchase of Equipment	(274,017)
Proceeds from Long-Term Financing	215,983
Principal Pain on Note	<u>(17,746)</u>
Net Cash Used for Investing Activities	<u>(75,780)</u>
Net Decrease in Cash and Cash Equivalentents	(29,019)
Cash and Cash Equivalentents, Beginning of Year	<u>121,334</u>
Cash and Cash Equivalentents, End of Year	<u>\$ 92,315</u>

See independent accountant's compilation report.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.

Marksville, Louisiana

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

Introduction

The Fifth Ward Fire Department, Inc., (the Organization) 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 Organization operates under a Board of Directors consisting of a President, Vice-President, and a 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 Fifth Ward Volunteer Fire Department, Inc., serves approximately 1,693 structures and meetings are held

A. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as

Unrestricted Net Assets - Net assets not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a 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. As of December 31, 2017, the Organization has no temporarily restricted net assets.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. As of December 31, 2017, the Organization had no permanently restricted net assets.

B. 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, and expenses during the reporting period. Actual results could differ from those estimates.

C. Cash and Cash Equivalents

The Organization considers cash and cash equivalents to include amounts included in demand deposits, interest bearing accounts, and certificates of deposit and having a maturity of three months or less.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
Marksville, Louisiana

Notes to the Financial Statements

D. Property and Equipment

Property and equipment are stated at cost. Additions, renewals and betterments that extend the useful life of the assets are capitalized. Maintenance and repair expenditures are expensed as incurred. Provisions for depreciation and amortization are computed using the straight-line method over the assets useful lives, which range from 5 to 30 years. Capitalization threshold of \$500 is used.

Summary of Significant Accounting Policies (Continued)

E. Receivables

Receivables are the result of unpaid assessed 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 the 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.

F. Cash In Banks

All funds are in institutions which are insured by the Federal Government.

Note 2. Fixed Assets and Depreciation

The following schedule summarizes estimated useful life, cost and accumulated depreciation of property, plant and equipment as of December 31, 2017:

Description	Life	
Buildings	5-30 Years	\$ 202,541
Equipment	5-10 Years	288,312
Trucks	12-20 Years	708,115
Land		12,000
Less: Accumulated Depreciation		(743,370)
Net Fixed Assets		\$ 467,598

Depreciation expense for the year ended December 31, 2017 was \$37,439.

Note 3. Capital Lease-Purchase Note Payable

Notes Payable as of December 31, 2017 consists of:

Note Payable to Government Capital on a lease-purchase agreement on a pumper truck; dated November 30, 2016; payable in annual payments of \$27,020, with interest at 4.3% per annum. Final maturity date is November 30, 2026.

	\$ 198,237
Less current portion	(18,507)
Total Long-Term Liabilities	\$ 179,730

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
Marksville, Louisiana

Notes to the Financial Statements

Note 3. Capital Lease-Purchase Note Payable (Continued)

Principal and interest payments on the note are due on November 30th of each year.

<u>Year Ending</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2018	\$ 8,512	\$ 18,508	\$ 27,020
2019	7,718	19,302	27,020
2020	6,889	20,131	27,020
2021	6,024	20,996	27,020
2022	5,123	21,897	27,020
2023	4,183	22,837	27,020
2024	3,202	23,818	27,020
2025	2,179	24,841	27,020
2026	1,113	25,907	27,020
	<u>\$ 44,943</u>	<u>\$ 198,237</u>	<u>\$ 243,180</u>

Note 4. Donated Services

Unpaid volunteers have made significant contributions of their time to the Organization. The value of the contributed time is not reflected in these statements since it is not susceptible to an objective measurement.

Note 5. Retirement Commitments

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

Note 6. Subsequent Events

The Organization has no material subsequent events that would require disclosure. Subsequent events have been evaluated through Draft, which is the date the financial statements were available for issuance.

Note 7. Income Tax

The Organization is not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. As of December 31, 2017, tax years 2015, 2016 and 2017 were still within the prescription period for examination by taxing authorities.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
Marksville, Louisiana

Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer

For the Year Ended December 31, 2017

Name of Agency Head: Nathan Bordelon, President

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Fire Call Outs	100
Benefits - Insurance	-
Benefits - Retirement	-
Car Allowance	-
Vehicle Provided by Agency	-
Reimbursements	45
Travel	-
Registration Fees	-
Conference Travel	-
Vouchered Expenses	-
Special Meals	-
Total of Compensation, Benefits and Other Payments	<u>\$ 145</u>

See Independent Accountant's Compilation Report

FIFTH WARD VOLUNTEER FIRE DEPARTMENT
MARKSVILLE, LOUISIANA

SUMMARY SCHEDULE OF CURRENT YEAR REPORT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

Current Year Finding

2018-1 Failure to furnish compilation report to the Legislative Auditor within six months of the close of the fiscal year.

Criteria: Louisiana RS 24:513 requires the compilation report to be completed and filed with the Legislative Auditor within six months after the close of the Organization's fiscal year end.

Condition: Not in compliance with La. RS 24:513.

Cause: The Organization believed they had engaged one CPA but that CPA did not realized that the Organization wanted his services, so they decided to engaged their prior CPA in mid December, which did not allow enough time to have the engagement approved and the compilation completed within the required six months from the Organization's fiscal year end.

Effect: Placing the Organization in non-compliance status until the report is completed and submitted to the Legislative Auditor.

Recommendation: Engage CPA before year end to ensure that the report is completed and submitted to the Legislative Auditor on time.

Management's Reponses: Management concurs with the finding and will engage a CPA timely to make sure that the report is completed and submitted within the provisions of La. RS 24:513.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT
MARKSVILLE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR YEAR REPORT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

For Year Ended December 31, 2016

There were no prior year findings.