

**YOUNGSVILLE VOLUNTEER FIRE
DEPARTMENT, INC.**

Financial Report

Years Ended December 31, 2016 and 2015

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 2
FINANCIAL STATEMENTS	
Statements of financial position	4
Statements of activities	5
Statements of cash flows	6 - 7
Notes to financial statements	8 - 12
SUPPLEMENTAL INFORMATION	
Schedules of functional expenses	14
INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16-17
Summary schedule of current and prior year audit findings and management's corrective action plan	18-20

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Penny Angelle Scruggins, CPA
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA

Casey L. Ardoin, CPA
Alan M. Taylor, CPA
Albert R. Leger, CPA, PFS, CSA*
Marshall W. Guidry, CPA
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Jane R. Hebert, CPA
Deidra L. Stock, CPA
Karen V. Fortenot, CPA
Tabby A. LeMay, CPA
Seth C. Norris, CPA
Shayne M. Breaux, CPA

* A Professional Accounting Corporation

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

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2667

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

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (885) 384-2020
Fax (885) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

434 East Main Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

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

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

1428 Metro Drive
Alexandria, LA 71301
Phone (318) 442-4421
Fax (318) 442-9833

INDEPENDENT AUDITORS' REPORT

WEB SITE
WWW.KCSRCPAS.COM

Retired:
Conrad O. Chapman, CPA* 2006

To the Board of Directors
Youngsville Volunteer Fire Department, Inc.
Youngsville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Youngsville Volunteer Fire Department, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Youngsville Volunteer Fire Department, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on page 14 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2017, on our consideration of the Youngsville Volunteer Fire Department, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance.

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

Lafayette, Louisiana
June 23, 2017

FINANCIAL STATEMENTS

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.
Youngsville, Louisiana

Statements of Financial Position
For the Years Ended December 31, 2016 and 2015

	2016	2015
ASSETS		
Current assets:		
Cash	\$ 845,980	\$ 558,125
Interest-bearing deposits	-	263,402
Due from City of Youngsville	345,002	275,776
Grant receivable	42,943	-
Prepaid insurance	25,935	18,345
Total current assets	1,259,859	1,115,648
Property, plant, and equipment, net	404,024	417,828
Total assets	\$ 1,663,883	\$ 1,533,476
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 40,757	\$ 14,578
Unearned revenue	50,000	-
Current maturities of long-term debt	43,951	42,202
Accrued interest payable	4,510	5,330
Total current liabilities	139,218	62,110
Long-term debt, less current maturities	187,365	231,655
Total liabilities	326,583	293,765
Net assets:		
Unrestricted -		
Undesignated	1,337,300	1,239,711
Total liabilities and net assets	\$ 1,663,883	\$ 1,533,476

The accompanying notes are an integral part of this statement.

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.
Youngsville, Louisiana

Statements of Activities
For the Years Ended December 31, 2016 and 2015

	2016	2015
Unrestricted net assets:		
Unrestricted support and revenue -		
Public support:		
Contributions -		
Federal sources -		
Federal grants	\$ 47,094	\$ -
City of Youngsville	671,163	568,225
Lafayette Parish - fire insurance tax	83,729	89,052
Fundraiser	-	3,305
Miscellaneous donations	1,779	2,287
Total public support	803,765	662,869
Revenue:		
Contract service fees - Lafayette Consolidated Government	61,146	50,000
Interest income	229	658
Miscellaneous	95,761	14,668
Total revenue	157,136	65,326
Total unrestricted support and revenue	960,901	728,195
Expenses:		
Program services -		
Fire fighting	824,748	567,874
Support services -		
General and administrative	38,564	34,748
Fundraising expense	-	227
Total expenses	863,312	602,849
Change in unrestricted net assets	97,589	125,346
Net assets, beginning of year	1,239,711	1,114,365
Net assets, end of year	\$ 1,337,300	\$ 1,239,711

The accompanying notes are an integral part of this statement.

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.
Youngsville, Louisiana

Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015

	2016	2015
Cash flows from operating activities		
Change in net assets	\$ 97,589	\$ 125,346
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	69,502	69,122
Decrease (increase) in operating assets:		
Due from City of Youngsville	(69,226)	(108,824)
Grant receivable	(42,943)	-
Prepaid insurance	(7,590)	1,656
Increase (decrease) in operating liabilities:		
Accounts payable	26,179	5,930
Accrued interest payable	(820)	(787)
Unearned revenue	<u>50,000</u>	<u>(50,000)</u>
Net cash provided by operating activities	<u>122,692</u>	<u>42,443</u>
 Cash flows from investing activities:		
Purchase of interest-bearing deposits or interest reinvested	-	(3)
Proceeds from the maturities of interest-bearing deposits	902	-
Purchase of property and equipment	(21,275)	(26,718)
Additions to construction in progress	<u>(34,423)</u>	<u>(1,960)</u>
Net cash used by investing activities	<u>(54,796)</u>	<u>(28,681)</u>
 Cash flow from financing activities:		
Principal paid on note payable	<u>(42,541)</u>	<u>(40,178)</u>
 Increase (decrease) in cash and cash equivalents	25,355	(26,416)
 Cash and cash equivalents, beginning of period	<u>820,625</u>	<u>847,041</u>
 Cash and cash equivalents, end of period	<u>\$ 845,980</u>	<u>\$ 820,625</u>

(continued)

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.
Youngsville, Louisiana

Statements of Cash Flows (Continued)
For the Years Ended December 31, 2016 and 2015

	2016	2015
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash	\$ 558,125	\$ 585,197
Interest-bearing deposits	263,402	262,743
Less: Certificates of deposit with a maturity over three months	(902)	(899)
Total cash and cash equivalents	820,625	847,041
 Cash and cash equivalents, end of period -		
Cash	845,980	558,125
Interest-bearing deposits	-	263,402
Less: Certificates of deposit with a maturity over three months	-	(902)
Total cash and cash equivalents	845,980	820,625
Net increase (decrease)	\$ 25,355	\$ (26,416)
 Supplemental disclosure of cash flow information:		
Interest paid	\$ 11,285	\$ 13,617

The accompanying notes are an integral part of this statement.

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT
Youngsville, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Organization and Purpose

The Youngsville Volunteer Fire Department, Inc. (Organization) is a non-profit corporation formed under the laws of the State of Louisiana for the purpose of impeding, preventing, and extinguishing all types of destructive fires within or near the City of Youngsville, Louisiana; supervising, directing and controlling the proper care and use of all types of inflammable or combustible material found within the City; acquiring and holding property for purposes of the organization, and other related purposes.

B. Basis of Accounting

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

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that 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.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

C. Property and Equipment

The Organization capitalizes all property and equipment acquisitions in excess of \$500. Purchased property and equipment are stated at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Depreciable assets are depreciated using the straight-line method over the estimated useful lives of the individual assets as follows:

Equipment	5 - 15 years
Furniture and fixtures	5 - 7 years
Fire trucks and engines	7 - 10 years

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT
Youngsville, Louisiana

Notes to Financial Statements (Continued)

D. Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

E. Revenue and Expense Recognition

The Organization receives contributions, contract services and other miscellaneous revenues. Contribution revenues are recognized when the donor makes a commitment to give to the Organization. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Other revenues are recognized when earned and expenses are recognized in the period incurred in accordance with the accrual basis of accounting.

F. Functional Expenses

Expenses are charged directly to program or support services in general categories based on specific identification.

G. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code. Accounting principles generally accepted in the United States of America require the Organization's management to evaluate tax positions taken and recognize a tax liability (or asset) if the Organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization's forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2012, 2013, and 2015 are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

H. Donated Services

A substantial number of volunteers have donated time to the Organization's program and supporting services. No amounts have been included in the financial statements for donated services since no objective basis is available to measure the value of such services.

I. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires 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 expenditures during the reporting period. Actual results could differ from those estimates.

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT
Youngsville, Louisiana

Notes to Financial Statements (Continued)

(2) Cash and interest-bearing deposits

As of December 31, 2016 and 2015, the Organization had cash and interest-bearing deposits in the amount of \$845,980 and \$821,527, respectively. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Organization's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. 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 similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. Deposit balances (bank balances) as of December 31, 2016 and 2015 are secured as follows:

	2016	2015
Bank balances	<u>\$ 846,956</u>	<u>\$ 831,189</u>
Federal deposit insurance	250,000	250,000
Pledged securities	<u>596,956</u>	<u>581,189</u>
Total	<u>\$ 846,956</u>	<u>\$ 831,189</u>

The deposits secured by pledged securities in the amount of \$596,956 and \$581,189 for 2016 and 2015, respectively, were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Organization's name. The Organization does not have a policy for custodial credit risk.

(3) Property, Plant and Equipment

The following is a summary of property, plant and equipment as of December 31, 2016 and 2015:

	2016	2015
Land	\$ 80,000	\$ 80,000
Construction in progress - new substation	39,323	4,900
Equipment	476,646	473,347
Furniture and fixtures	38,748	38,048
Fire trucks and engines	<u>959,678</u>	<u>959,789</u>
Total property, plant and equipment	1,594,394	1,556,084
Less: Accumulated depreciation	<u>(1,190,370)</u>	<u>(1,138,256)</u>
Net property, plant and equipment	<u>\$ 404,024</u>	<u>\$ 417,828</u>

Depreciation expense charged to operations amounted to \$69,502 and \$69,122 for the years ended December 31, 2016 and 2015, respectively.

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT
Youngsville, Louisiana

Notes to Financial Statements (Continued)

(4) Long-Term Debt

Following is a summary of long-term debt as of December 31, 2016 and 2015:

	2016	2015
Note payable to Gulf Coast Bank, dated July 8, 2011, original principal of \$160,296, due in annual payments through July 8, 2018 of \$26,766, including interest at 4.00 percent, and secured by a 2000 Saulsbury fire truck with a net book value of \$54,185 and \$66,226 at December 31, 2016 and 2015, respectively.	\$ 50,492	\$ 73,864
Note payable to Community First Bank, dated July 19, 2012, original principal of \$250,000, due in annual payments through July 19, 2024 of \$27,029, including interest at 4.25 percent, and secured by a 1999 fire truck with a net book value of \$121,996 and \$143,846 at December 31, 2016 and 2015, respectively.	<u>180,824</u>	<u>199,993</u>
Total debt	231,316	273,857
Less: Current maturities included in current liabilities	<u>(43,951)</u>	<u>(42,202)</u>
Total long term portion	<u>\$ 187,365</u>	<u>\$ 231,655</u>

Maturities of long-term debt are as follows:

Year Ended	Amount
2017	\$ 43,951
2018	45,308
2019	20,886
2020	21,792
2021	22,736
2022-2024	<u>76,643</u>
	<u>\$ 231,316</u>

(5) Unearned Revenue

Unearned revenue as of December 31, 2016 and 2015 consisted of the following:

	2016	2015
Lafayette Consolidated Government -		
2017 annual contract fees	\$ 40,000	\$ -
2017 additional funding	<u>10,000</u>	<u>-</u>
Total	<u>\$ 50,000</u>	<u>\$ -</u>

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT
Youngsville, Louisiana

Notes to Financial Statements (Continued)

(6) City of Youngsville Contributions

Contributions in the amount of \$671,163 and \$268,225 for the years ended December 31, 2016 and 2015, respectively, were received from the City of Youngsville as follows:

	2016	2015
City of Youngsville -		
Ad valorem tax assessment - 4.86 mills for fire protection	\$543,054	\$461,584
Excess City funds for reimbursement of expenses	128,109	106,641
Total	\$671,163	\$568,225

(7) Risk Management

The Organization is exposed to risks of loss in the areas of auto liability, general liability, management liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(8) Litigation

The Organization is not involved in litigation at December 31, 2016.

(9) Compensation, Benefits, and Other Payments to Agency Head

A detail of amounts paid to Blair Rivette, Fire Chief, for the year ended December 31, 2016 follows:

	Amount
Purpose:	
Salary	\$ 19,254
Benefits - insurance	1,164
Membership dues	26
Total	\$ 20,444

(10) Subsequent Events

The Organization was evaluated subsequent events through June 23, 2017, the date which financial statements were made available.

SUPPLEMENTAL INFORMATION

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.
Youngsville, Louisiana

Schedules of Functional Expenses
For the Years Ended December 31, 2016 and 2015

	2016	2015
Program service expenses:		
Fire fighting -		
Communications	\$ 3,155	\$ 2,576
Depreciation	69,502	69,122
Dues and subscriptions	477	294
Education and training	6,749	6,545
Insurance	119,471	72,424
Interest expense	10,465	12,830
Medical expenses	953	1,073
Payroll taxes	34,826	28,370
Repairs and maintenance	115,620	71,140
Salaries	417,915	256,378
Small equipment (hoses, nozzles, etc.)	7,923	8,597
Supplies	13,807	12,345
Travel and training	-	196
Truck fuel	8,307	9,212
Uniforms	3,221	3,641
Utilities and telephone	12,357	13,131
Total program service expenses	824,748	567,874
Support service expenses:		
General and administrative -		
Miscellaneous	16,287	13,821
Office and postage expense	4,923	4,608
Professional fees	13,580	12,515
Service fees (grant writing, pest control and security fees)	3,774	3,804
Total general and administrative	38,564	34,748
Fundraising expense	-	227
Total expenses	\$ 863,312	\$ 602,849

**INTERNAL CONTROL,
COMPLIANCE
AND
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200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

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Fax (318) 442-9833

WEB SITE
WWW.KCSRCFAS.COM

Retired:
Conrad O. Chapman, CPA* 2006

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Youngsville Volunteer Fire Department, Inc.
Youngsville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Youngsville Volunteer Fire Department, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Youngsville Volunteer Fire Department, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Youngsville Volunteer Fire Department, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Youngsville Volunteer Fire Department, Inc.'s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2016-001 through 2016-004 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Youngsville Volunteer Fire Department, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Youngsville Volunteer Fire Department, Inc.'s Response to Findings

Youngsville Volunteer Fire Department, Inc.'s response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. Youngsville Volunteer Fire Department, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

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

Lafayette, Louisiana
June 23, 2017

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT

**Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2016**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
CURRENT YEAR (12/31/16) --						
<u>Internal Control:</u>						
2016-001	Unknown	Due to the small number of employees, the Youngsville Volunteer Fire Department (Organization) did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Byron Knott, Treasurer	N/A
2016-002	2007	The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Organization has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Organization to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Byron Knott, Treasurer	N/A
2016-003	2012	During the performance of the annual audit, numerous adjusting journal entries were required to properly record transactions. Balance sheet accounts should be reconciled to the general ledger on a monthly basis.	No	Monthly reconciliations of all balance sheet accounts will be performed by appropriate personnel and balances will be agreed to the general ledger.	Byron Knott, Treasurer	Immediately

(continued)

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended December 31, 2016

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
CURRENT YEAR (12/31/16) Continued --						
<u>Internal Control:</u>						
2016-004	2015	Management does not have adequate controls in place to ensure deposits are made on a timely basis. During the course of performing audit procedures, it was determined that deposits were being held from two to four weeks. Management should make deposits daily to enhance controls over safeguarding of assets.	No	Management will implement procedures to make daily deposits.	Byron Knott, Treasurer	Immediately
PRIOR YEAR (12/31/15) --						
2015-001	Unknown	Due to the small number of employees, the Youngsville Volunteer Fire Department (Organization) did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Byron Knott, Treasurer	N/A
2015-002	2007	The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Organization has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Organization to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Byron Knott, Treasurer	N/A

(continued)

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT

**Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended December 31, 2016**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
PRIOR YEAR (12/31/15) Continued --						
<u>Internal Control:</u>						
2015-003	2012	During the performance of the annual audit, numerous adjusting journal entries were required to properly record transactions. Balance sheet accounts should be reconciled to the general ledger on a monthly basis.	No	Monthly reconciliations of all balance sheet accounts will be performed by appropriate personnel and balances will be agreed to the general ledger.	Byron Knott, Treasurer	Immediately
2015-004	2015	Management does not have adequate controls in place to ensure deposits are made on a timely basis. During the course of performing audit procedures, it was determined that deposits were being held from two to four weeks. Management should make deposits daily to enhance controls over safeguarding of assets.	No	Management will implement procedures to make daily deposits.	Byron Knott, Treasurer	Immediately
2015-005	2015	The Organization does not have adequate procedures in place to properly document authorization and changes to their policies. Effective July 1, 2015, the Organization implemented a vacation leave policy for full-time employees and did not update their policies and procedures manual. Additionally, authorization to change their vacation leave policy was not documented in their Board meeting minutes. The Organization should implement procedures to ensure that authorization for policy changes are properly documented in the Board minutes, policy manuals are updated, and financial decisions that impact the City of Youngsville are ratified by the City's council.	Yes	Management will implement policies and procedures to ensure all policy changes are properly documented in minutes and official written policies. Additionally, management will take steps to ensure the City of Youngsville appropriately ratifies all financial decisions that directly affect the City.	Byron Knott, Treasurer	Immediately