BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICES, INC.

White Castle, Louisiana

FINANCIAL REPORT

(Compiled)

September 30, 2015

BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICES, INC.

White Castle, Louisiana

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FAULK & WINKLER LLC
Certified Public Accountants • Business Advisors

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Bayou Goula Volunteer Fire & Rescue Services, Inc.
White Castle, Louisiana

Management is responsible for the accompanying financial statements of the **BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICES, INC.** (a non-profit organization) (Department), which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities and cash flows for the years 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.

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 compilation 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.

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
February 20, 2016

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BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICES, INC.

White Castle, Louisiana

STATEMENTS OF FINANCIAL POSITION

September 30, 2015 and 2014

(See Independent Accountants' Compilation Report)

ASSETS

	2015	2014
CURRENT ASSETS		
Cash	$ 75,471	$ 41,839
Certificates of deposit	17,417	15,823
Due from Iberville Parish Council	5,372	10,190
Total current assets	98,260	67,852
PROPERTY AND EQUIPMENT- net	184,241	223,791
Total assets	$ 282,501	$ 291,643

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$ 5,244	$ 3,573
Current portion of capital lease	33,571	31,942
Total current liabilities	38,815	35,515
CAPITAL LEASE - net of current portion	72,367	105,937
Total liabilities	111,182	141,452
NET ASSETS - unrestricted	171,319	150,191
Total liabilities and net assets	$ 282,501	$ 291,643

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

BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICES, INC.

White Castle, Louisiana

STATEMENTS OF ACTIVITIES

For the years ended September 30, 2015 and 2014

(See Independent Accountants' Compilation Report)

	2015	2014
REVENUES AND SUPPORT		
Support from Iberville Parish Council	$ 164,790	$ 144,057
In-kind	13,500	13,500
Contributed support	4,847	6,761
Interest	249	258
Total revenues and support	183,386	164,576
EXPENSES		
Depreciation	39,550	41,574
Maintenance	25,303	14,716
Compensation	25,647	16,761
Supplies	17,446	20,328
Office	14,846	16,160
Training	14,237	22,414
Rent	13,579	13,975
Interest	7,032	8,582
Professional fees	3,100	2,985
Contribution to White Castle Volunteer Fire Department	-	1,164
Other	1,518	438
Total expenses	162,258	159,097
Increase in net assets	21,128	5,479
NET ASSETS		
Beginning of year	150,191	144,712
End of year	$ 171,319	$ 150,191

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

BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICES, INC.

White Castle, Louisiana

STATEMENTS OF CASH FLOWS

For the years ended September 30, 2015 and 2014

(See Independent Accountants' Compilation Report)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	$ 21,128	$ 5,479
Adjustments to non-cash items:		
Depreciation	39,550	41,574
Change in operating assets and liabilities:		
Accounts payable	1,671	1,980
Due from Iberville Parish Council	4,818	104
Net cash provided by operating activities	67,167	49,137
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(21,284)
Investments in certificates of deposit	(1,594)	(1,339)
Net cash used by investing activities	(1,594)	(22,623)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital lease	(31,941)	(30,393)
Net increase (decrease) in cash	33,632	(3,879)
CASH		
Beginning of year	41,839	45,718
End of year	$ 75,471	$ 41,839
SUPPLEMENTAL DATA:		
Interest paid	$ 7,032	$ 8,582

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

BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICES, INC.

White Castle, Louisiana

NOTES TO FINANCIAL STATEMENTS

(See Independent Accountants' Compilation Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

Bayou Goula Volunteer Fire & Rescue Services, Inc. (the Department), is a non-profit corporation that provides fire protection, emergency medical service, and hazardous materials handling to the citizens of south Iberville Parish that are outside of the Town of White Castle (the Town). The Department has entered into certain transactions, described below, with the Town to provide these 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, 2015 and 2014.

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 in-kind 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 as other than a private foundation. The Department's open audit periods are 2012 through 2015.

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 when 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, 2015 and 2014. The Department typically maintains cash at a local bank that may, at times, exceed the FDIC limits. Management believes the risk is limited.

Certificates of deposit

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

The carrying value of cash, due from Iberville Parish Council, and accounts payable approximates fair value due to the short-term maturity of these instruments. The carrying value of short and long-term debt approximates fair value based on the current rates offered for debt of comparable maturities and collateral requirements. 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' compilation report, which was the date that the financial statements were available to be issued

NOTE 2 - CERTIFICATES OF DEPOSIT

At September 30, 2015 and 2014, the Department held certificates of deposit (CD) with a market value and cost of $17,417 and $15,823 respectively. Interest earnings are reinvested into the CD; therefore, fair market value equals the cost of the investment.

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property, related estimated service lives, and accumulated depreciation at September 30, 2015 and 2014, is as follows:

Description	Estimated Service Lives	2015	2014
Leasehold improvements	15-30 years	$ 76,284	$ 76,284
Fire truck - pledged	10 years	299,493	299,493
Equipment	3-7 years	88,589	88,589
		464,366	464,366
Less accumulated depreciation		(280,125)	(240,575)
		$ 184,241	$ 223,791

NOTE 3 - PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation expense was $39,550 and $41,574 for the years ended September 30, 2015 and 2014, respectively.

A fire truck was purchased during 2009 for $299,493, under a capital lease arrangement. Amortization of such equipment is included in depreciation expense. Accumulated amortization for such equipment was $192,174 and $162,225 at September 30, 2015 and 2014, respectively.

NOTE 4 - CAPITAL LEASE

A summary of the capital lease at September 30, 2015 and 2014 is as follows:

	2015	2014
Lease payable in annual installments of $38,974 including interest at 5.1%, maturing in May 2018, secured by the fire truck	$ 105,938	$ 137,879
Less current maturites	(33,571)	(31,942)
Long-term maturities	$ 72,367	$ 105,937

The future maturities of the capital lease are as follows:

September 30,	Amount
2016	$ 33,571
2017	35,284
2018	37,083
Total	$ 105,938

The future minimum lease payments, inclusive of interest expense, are $116,922; the interest component is $10,984 and annual payments are $38,974 through 2018.

NOTE 5 - RELATED PARTY TRANSACTIONS

The Department receives allocated sales tax proceeds from the Iberville Parish Council (Parish) in exchange for providing fire protection to certain areas of Iberville Parish extending beyond the city limits of White Castle.

The Parish contributed the use of facilities during the years ended September 30, 2015 and 2014 to the Department. The value of this contributed support has been recognized at the fair market value of the benefit received, which was approximately $13,500 each year.

NOTE 5 - RELATED PARTY TRANSACTIONS (CONTINUED)

The Parish and the Department entered into a capital lease arrangement during 2009 for the purchase of a fire truck whereby the Parish collects taxes and pays the cost of insurance on the fire truck, and remits the remaining funds to the Department. The lease and the fire truck are recorded on the Department's financial statements.

The Town supports the Department financially since it provides a service that would otherwise be supplied by the Town. The Town expends support for the Department, primarily for salary supplements. The amount of such expenditures in 2015 and 2014 was $4,847 and $6,761, respectively, and is included in the financial statements.

The Department is a co-signer on a note payable with the White Castle Volunteer Fire Department, Inc. (WCVFD). The loan was obtained to finance the construction of a training facility that is utilized by both entities. The loan has been recorded in WCVFD's financial statements as all proceeds and construction disbursements are recorded by WCVFD. The Department has paid half of the monthly payments. These payments have been recorded in the financial statements as a contribution to WCVFD from the Department, and totaled $1,164 for the year ended September 30, 2014. This note was retired in 2014.

NOTE 6 - ECONOMIC DEPENDENCY

The Department derives a significant portion of its revenues from an allocation of a dedicated parish-wide sales tax, the loss of which would have a material adverse effect. During the years ended September 30, 2015 and 2014, revenue derived from the Parish accounted for approximately 99% of total revenue and the Parish owed the Department $5,372 and $10,190 as of September 30, 2015 and 2014, respectively.

BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICS, INC.

White Castle, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD

September 30, 2015
(Without Audit)

Agency Head: John Marque, Jr.

Purpose	Amount
Salary	$ 0.00
Benefits - insurance	0.00
Benefits - retirement	0.00
Benefits - {list any other here}	0.00
Car allowance	0.00
Vehicle provided by government	0.00
Per diem	0.00
Reimbursements	0.00
Travel	0.00
Registration fees	0.00
Conference travel	0.00
Continuing professional education fees	0.00
Housing	0.00
Unvouchered expenses*	0.00
Special meals	0.00
	$ 0.00