

BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICES, INC.
White Castle, Louisiana

FINANCIAL REPORT
(Compiled)

September 30, 2016

BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICES, INC.
White Castle, Louisiana

TABLE OF CONTENTS

September 30, 2016

	<u>Exhibit</u>	<u>Page</u>
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT		1
FINANCIAL STATEMENTS		
Statements of Financial Position	A	2
Statements of Activities	B	3
Statements of Cash Flows	C	4
Notes to Financial Statements	D	5
SUPPLEMENTARY INFORMATION	<u>Schedule</u>	
Schedule of Compensation, Benefits and Other Payments to Agency Head	1	10



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, 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 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
March 29, 2017

BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICES, INC.

White Castle, Louisiana

STATEMENTS OF FINANCIAL POSITION

September 30, 2016 and 2015

(See Independent Accountants' Compilation Report)

ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 63,534	\$ 75,471
Certificates of deposit	19,529	17,417
Due from Iberville Parish Council	<u>15,982</u>	<u>5,372</u>
Total current assets	99,045	98,260
PROPERTY AND EQUIPMENT- net	<u>156,989</u>	<u>184,241</u>
Total assets	<u>\$ 256,034</u>	<u>\$ 282,501</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,929	\$ 5,244
Current portion of capital lease	<u>35,284</u>	<u>33,571</u>
Total current liabilities	37,213	38,815
CAPITAL LEASE - net of current portion	<u>37,083</u>	<u>72,367</u>
Total liabilities	74,296	111,182
NET ASSETS - unrestricted	<u>181,738</u>	<u>171,319</u>
Total liabilities and net assets	<u>\$ 256,034</u>	<u>\$ 282,501</u>

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, 2016 and 2015

(See Independent Accountants' Compilation Report)

	<u>2016</u>	<u>2015</u>
REVENUES AND SUPPORT		
Support from Iberville Parish Council	\$ 159,378	\$ 164,790
Contributed support from Iberville Parish Council	13,500	13,500
Contributed support from Town of White Castle	8,606	4,847
Interest	<u>1,343</u>	<u>249</u>
 Total revenues and support	 <u>182,827</u>	 <u>183,386</u>
EXPENSES		
Depreciation	39,889	39,550
Contracted services and contributed labor	31,006	25,647
Supplies	28,160	17,446
Maintenance	25,698	25,303
Rental - contributed	13,500	13,500
Office	11,307	14,846
Training	11,187	14,237
Interest	5,403	7,032
Professional	4,200	3,100
Other	<u>2,058</u>	<u>1,597</u>
 Total expenses	 <u>172,408</u>	 <u>162,258</u>
 Increase in net assets	 10,419	 21,128
NET ASSETS		
Beginning of year	<u>171,319</u>	<u>150,191</u>
 End of year	 <u>\$ 181,738</u>	 <u>\$ 171,319</u>

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, 2016 and 2015

(See Independent Accountants' Compilation Report)

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 10,419	\$ 21,128
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	39,889	39,550
Change in operating assets and liabilities:		
Accounts payable and accrued expenses	(3,315)	1,671
Due from Iberville Parish Council	<u>(10,610)</u>	<u>4,818</u>
Net cash provided by operating activities	<u>36,383</u>	<u>67,167</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(12,637)	-
Investments in certificates of deposit	<u>(2,112)</u>	<u>(1,594)</u>
Net cash used by investing activities	<u>(14,749)</u>	<u>(1,594)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital lease	<u>(33,571)</u>	<u>(31,941)</u>
Net (decrease) increase in cash	(11,937)	33,632
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>75,471</u>	<u>41,839</u>
End of year	<u>\$ 63,534</u>	<u>\$ 75,471</u>
SUPPLEMENTAL DATA:		
Interest paid	<u>\$ 5,403</u>	<u>\$ 7,032</u>

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.

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, 2016 and 2015.

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 as other than a private foundation. The Department's open audit periods are 2013 through 2016.

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, 2016 and 2015. 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, due from Iberville Parish Council (the Council), and accounts payable and accrued expenses 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, 2016 and 2015, the Department held certificates of deposit (CD) with a market value and cost of \$19,529 and \$17,417 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, 2016 and 2015, is as follows:

Description	Estimated Service Lives	2016	2015
Leasehold improvements	15-30 years	\$ 79,784	\$ 76,284
Fire truck	10 years	299,493	299,493
Equipment	3-7 years	97,726	88,589
		477,003	464,366
Less accumulated depreciation		(320,014)	(280,125)
		<u>\$ 156,989</u>	<u>\$ 184,241</u>

NOTE 3 - PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation expense was \$39,889 and \$39,550 for the years ended September 30, 2016 and 2015, 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 \$222,123 and \$192,174 at September 30, 2016 and 2015, respectively.

NOTE 4 - CAPITAL LEASE

A summary of the capital lease at September 30, 2016 and 2015 is as follows:

	2016	2015
Lease payable in annual installments of \$38,974 including interest at 5.1%, maturing in May 2018, secured by the fire truck	\$ 72,367	\$ 105,938
Less current maturities	(35,284)	(33,571)
Long-term maturities	\$ 37,083	\$ 72,367

The future maturities of the capital lease are as follows:

September 30,	Amount
2017	\$ 35,284
2018	37,083
Total	\$ 72,367

The future minimum lease payments, inclusive of interest expense, are \$77,948, including interest of \$5,581. Annual payments are \$38,974 through 2018.

NOTE 5 - RELATED PARTY TRANSACTIONS

The Department receives allocated sales tax proceeds from the Council in exchange for providing fire protection, emergency medical service, and hazardous materials handling services to certain areas of the Parish.

The Council contributed the use of facilities during the years ended September 30, 2016 and 2015 to the Department. The value of this contributed support has been recognized at the fair market value of the benefit received, which was \$13,500 each year.

NOTE 5 - RELATED PARTY TRANSACTIONS (CONTINUED)

The Council and the Department entered into a capital lease arrangement during 2009 for the purchase of a fire truck whereby the Council 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 services that would otherwise be funded by the Town. The Town expends support for the Department, primarily for salary supplements. The amount of such expenditures in 2016 and 2015 was \$8,606 and \$4,847, respectively, and is included in the financial statements.

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, 2016 and 2015, revenue derived from the Council accounted for approximately 99% of total revenue. The Council owed the Department \$15,982 and \$5,372 as of September 30, 2016 and 2015, respectively.

BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICES, INC.

White Castle, Louisiana

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

September 30, 2016

(Without Audit)

Agency Head: John Marque, Jr.

No compensation paid from public funds.