

**YOUNGSVILLE VOLUNTEER FIRE
DEPARTMENT, INC.**

Financial Report

Years Ended December 31, 2009 and 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/18/10

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of the Youngsville Volunteer Fire Department, Inc. (a nonprofit organization), as of December 31, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated June 16, 2010, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplemental information on pages 13 – 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The statements of functional expenses have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in relation to the basic financial statements taken as a whole. The schedule of insurance in force has not been subjected to the auditing procedures applied in the audits of the basic financial statements and accordingly, we express no opinion on it.

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

Lafayette, Louisiana
June 16, 2010

FINANCIAL STATEMENTS

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.
Youngsville, Louisiana

Statements of Financial Position
December 31, 2009 and 2008

	2009	2008
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 372,341	\$ 58,138
Accrued interest receivable	51	220
Grant receivable	34,820	-
Deposits	-	2,939
Total current assets	407,212	61,297
Property, plant, and equipment, net	130,521	188,387
Total assets	\$ 537,733	\$ 249,684
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 38,673	\$ 9,928
Accrued liabilities	11,483	8,454
Current maturities of long-term debt	23,538	32,674
Accrued interest payable	708	1,991
Total current liabilities	74,402	53,047
Long-term debt, less current maturities	8,573	37,490
Total liabilities	82,975	90,537
Net assets:		
Unrestricted -		
Operating	356,348	40,924
Net investment in fixed assets	98,410	118,223
Total unrestricted net assets	454,758	159,147
Total liabilities and net assets	\$ 537,733	\$ 249,684

The accompanying notes are an integral part of this statement.

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.
Youngsville, Louisiana

Statements of Activities
Years Ended December 31, 2009 and 2008

	2009	2008
Unrestricted net assets:		
Unrestricted support and revenue -		
Public support:		
Contributions -		
City of Youngsville	\$ 184,362	\$ 152,105
Lafayette Parish - fire insurance tax	43,286	41,018
Miscellaneous donations	2,765	410
Total public support	230,413	193,533
Revenue:		
Grant revenue	55,309	-
Contract service fees - LCG	50,000	50,000
Interest income	3,371	637
Miscellaneous	1,190	183
Gain on the sale of fixed assets	243,184	-
Total revenue	353,054	50,820
Total unrestricted support and revenue	583,467	244,353
Expenses:		
Program services -		
Fire fighting	268,601	270,105
Support services -		
General and administrative	19,255	16,251
Total expenses	287,856	286,356
Increase (decrease) in unrestricted net assets	295,611	(42,003)
Net assets, beginning of year	159,147	201,150
Net assets, end of year	\$ 454,758	\$ 159,147

The accompanying notes are an integral part of this statement.

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.
Youngsville, Louisiana

Statements of Cash Flows
Years Ended December 31, 2009 and 2008

	2009	2008
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 295,611	\$ (42,003)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	71,591	80,296
Gain on the sale of fixed assets	(243,184)	-
Decrease (increase) in operating assets:		
Accrued interest receivable	169	36
Deposits	2,939	(2,939)
Grant receivable	(34,820)	-
Increase (decrease) in operating liabilities:		
Accounts payable	28,744	8,749
Accrued interest payable	(1,283)	(1,300)
Accrued liabilities	3,030	8,454
Net cash provided by operating activities	122,797	51,293
Cash flows from investing activities:		
Purchase of interest-bearing deposits	(15,253)	(19,554)
Proceeds from the maturities of interest-bearing deposits	19,554	24,485
Proceeds from the sale of fixed assets	305,350	-
Purchase of equipment, furniture and fixtures	(75,891)	(5,905)
Net cash used by investing activities	233,760	(974)
Cash flow from financing activities:		
Principal paid on notes payable	(38,053)	(30,688)
Increase in cash and cash equivalents	318,504	19,631
Cash and cash equivalents, beginning of period	38,584	18,953
Cash and cash equivalents, end of period	\$ 357,088	\$ 38,584

(continued)

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.
Youngsville, Louisiana

Statements of Cash Flows (Continued)
Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash	\$ 32,982	\$ 18,953
Interest-bearing deposits	25,156	24,485
Less: Certificates of deposit with a maturity over three months	<u>(19,554)</u>	<u>(24,485)</u>
Total cash and cash equivalents	<u>38,584</u>	<u>18,953</u>
Cash and cash equivalents, end of period -		
Cash	357,088	32,982
Interest-bearing deposits	15,253	25,156
Less: Certificates of deposit with a maturity over three months	<u>(15,253)</u>	<u>(19,554)</u>
Total cash and cash equivalents	<u>357,088</u>	<u>38,584</u>
Net increase	<u>\$ 318,504</u>	<u>\$ 19,631</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 2,652</u>	<u>\$ 7,027</u>

The accompanying notes are an integral part of this statement.

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.
Youngsville, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

Organization

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.

A. Basis of Accounting

The Organization utilizes the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

B. 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:*

Building	30 years
Building improvements	7 - 20 years
Equipment	5 - 15 years
Furniture and fixtures	5 - 7 years
Fire trucks and engines	7 - 10 years

C. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and therefore, has no provision for federal income taxes.

D. 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.

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.
Youngsville, Louisiana

Notes to Financial Statements (Continued)

E. 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.

F. 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.

G. Functional Expenses

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

(2) Property, Plant and Equipment

The following is a summary of property, plant and equipment at December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Land	\$ -	\$ 15,000
Building	-	45,000
Building improvements	-	41,878
Equipment	405,830	353,559
Furniture and fixtures	35,596	22,340
Fire trucks and engines	<u>530,559</u>	<u>530,559</u>
Total property, plant and equipment	971,985	1,008,336
Less: Accumulated depreciation	<u>(841,464)</u>	<u>(819,949)</u>
Net property, plant and equipment	<u>\$ 130,521</u>	<u>\$ 188,387</u>

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.
Youngsville, Louisiana

Notes to Financial Statements (Continued)

Depreciation expense charged to operations amounted to \$71,591 and \$80,296 for the years ended December 31, 2009 and 2008 respectively.

(3) Long-Term Debt

Following is a summary of long-term debt at December 31, 2009 and 2008:

	2009	2008
Note payable to USDA Rural Development, dated March 7, 1989, original principal of \$50,000, due in annual payments through March 7, 2009 of \$5,021, including interest at 7.5 percent and secured by a building.	\$ -	\$ 4,531
Note payable to USDA Rural Development, dated May 15, 1997 original principal of \$29,500, due in annual payments through May 15, 2011 of \$2,915, including interest at 5.375 percent and secured by a fire engine.	-	7,809
Note payable to USDA Rural Development, dated March 29, 2000, original principal of \$150,000, due in annual payments through March 28, 2010 of \$20,140, including interest at 5.75 percent.	15,540	33,791
Note payable to DiamlerChrysler Finance Corporation, dated November 30, 2006, original principal of \$37,386, due in monthly payments through December 15, 2011 of \$741, including interest at 6.95%.	16,571	24,033
Total debt	32,111	70,164
Less: Current maturities included in current liabilities	(23,538)	(32,674)
Total long term debt	\$ 8,573	\$ 37,490

Following are maturities of long-term debt for each of the next two years and in the aggregate:

Year	Amount
2010	\$ 23,538
2011	8,573
	\$ 32,111

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.
Youngsville, Louisiana

Notes to Financial Statements (Continued)

(4) Concentration of Credit Risk

The Organization maintains cash balances at two financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. The Organization has not experienced any loss in such accounts. As of December 31, 2009, the uninsured balance is \$102,397. The Organization believes it is not exposed to any significant credit risk on its cash balances.

(5) 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.

SUPPLEMENTAL INFORMATION

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.
Youngsville, Louisiana

Statements of Functional Expenses
Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Program service expenses:		
Fire fighting -		
Communications	\$ 2,500	\$ 2,640
Depreciation	71,591	80,296
Dues and subscriptions	1,292	482
Education and training	5,728	10,782
Insurance	27,170	29,828
Interest expense	2,804	5,727
Medical expenses	945	1,216
Payroll taxes	6,276	5,347
Penalties and other taxes	5,793	6,998
Repairs and maintenance	28,627	18,137
Salaries	68,840	70,610
Supplies	25,474	18,704
Truck fuel	4,459	8,755
Uniforms	4,500	2,315
Utilities and telephone	<u>12,602</u>	<u>8,268</u>
Total program service expenses	<u>268,601</u>	<u>270,105</u>
 Support service expenses:		
General and administrative -		
Volunteer fire fighter's expenses - meals	2,723	1,953
Miscellaneous	4,753	4,561
Office expense	1,982	3,272
Postage expense	326	175
Professional fees	<u>9,471</u>	<u>6,290</u>
Total support service expenses	<u>19,255</u>	<u>16,251</u>
 Total expenses	 <u>\$ 287,856</u>	 <u>\$ 286,356</u>

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.
Youngsville, Louisiana

Schedule of Insurance in Force
(Unaudited)
Year Ended December 31, 2009

<u>Description of Coverage</u>	<u>Coverage Amounts</u>	
	<u>Each Occurrence</u>	<u>Aggregate</u>
Workmen's compensation (statutory):		
Employer's liability	\$ 100,000	\$ 500,000
Automobile liability:		
Any auto	1,000,000	-
Hired autos		
Non-owned autos		
Fellow member		
Umbrella	10,000,000	10,000,000
General Liability	1,000,000	2,000,000
Commercial general liability		
Medical malpractice		
Management liability		

**INTERNAL CONTROL
AND
COMPLIANCE**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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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 the financial statements of the Youngsville Volunteer Fire Department, Inc. (a nonprofit organization) as of and for the year ended December 31, 2009, and have issued our report thereon dated June 16, 2010. We conducted our audit 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.

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 as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Youngsville Volunteer Fire Department, Inc.'s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been 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 over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to significant deficiencies.

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. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 09-3(IC) to be a material weakness.

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 09-1(IC) through 09-2(IC) to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Youngsville Volunteer Fire Department, Inc.'s, financial statements are free of 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 the findings identified in our audit are described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. We did not audit Youngsville Volunteer Fire Department, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended for the information and use of management and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

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

Lafayette, Louisiana
June 16, 2010

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2009

Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action		Name of Contact Person	Anticipated Completion Date	
		Taken	Corrective Action Planned			
CURRENT YEAR (12/31/09) --						
<u>Internal Control:</u>						
09-1 (IC)	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.	Tim Barbier, President	N/A
09-2(IC)	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 no	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.	Tim Barbier, President	N/A

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2009

Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Name of		Anticipated Completion Date	
			Contact Person	Person		
09-3(IC)	The Organization does not have proper controls over the accounting and administration of payroll in the following areas: 1) there was a lack of policies and procedures in place regarding the reconciliation of the payroll bank account 2) lack of proper documentation of employee hours worked 3) No evidence of supervisory approval of employee hours worked.	Yes	The Organization has put policies in place to perform the following procedures: 1) Reconcile the payroll bank account on a monthly basis. 2) Maintain copies of all employee timecards and timesheets. 3) Supervisory personnel should approve all timecards and timesheets.		Tim Barbier, President	Immediately

Internal Control (continued):

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2009

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (12/31/08) --						
<u>Internal Control:</u>						
08-1(IC)	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.	Paul Broussard, President	N/A
08-2(IC)	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.	Paul Broussard, President	N/A

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2009

<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>
08-3(IC)	2008	Excessive payments were made to an employee of approximately \$4,430 in 2008. Upon further review it was also discovered that excessive payments were also made in 2005, 2006 and 2007. There was no proper supporting documentation for these payments.	Yes	Corrective action was taken.	Paul Broussard, President	Immediately
08-4(IC)	2008	The Organization does not have proper controls over the accounting and administration of payroll in the following areas: 1) there was a lack of policies and procedures in place regarding the reconciliation of the payroll bank account 2) lack of proper documentation of employee hours worked 3) No evidence of supervisory approval of employee hours worked.	Yes	See 09-3(IC) in current year - 2009.	Paul Broussard, President	Immediately

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2009

<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>
08-5 (C)	2008	State law requires the Organization's audit reports to be completed and submitted within six months of the fiscal year end. The Organization's audit report was not complete until after the deadline imposed by State law.	Yes	Corrective action was taken.	Paul Broussard, President	Immediately
08-6 (C)	Unknown	The Organization should implement the proper procedures to ensure that the 941's and the W-2's are properly and timely filed.	Yes	Corrective action was taken.	Paul Broussard, President	Immediately