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**YOUNGSVILLE VOLUNTEER FIRE  
DEPARTMENT, INC.**

Financial Report

Years Ended December 31, 1999 and 1998

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 ~~JUL 19 2000~~

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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, 1999 and 1998, 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 generally accepted auditing standards. 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 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, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated May 15, 2000, 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 and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information listed as "Supplemental Information" is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Kolder, Champagne, Slaven & Rainey, LLC*  
Certified Public Accountants

Lafayette, Louisiana  
May 15, 2000

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**FINANCIAL STATEMENTS**

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.  
Youngsville, Louisiana

Statements of Financial Position  
December 31, 1999 and 1998

	1999	1998
<b>ASSETS</b>		
Cash and interest-bearing deposits	\$ 19,550	\$ 44,519
Accounts receivable	-	350
Accrued interest receivable	114	127
Cash restricted to purchase of equipment	10,000	-
Equipment deposit	90,000	-
Property, plant, and equipment, net	121,157	138,691
Total assets	\$240,821	\$183,687
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 333	\$ 852
Current maturities of long-term debt	3,991	3,742
Accrued interest payable	3,128	3,387
Deferred income	-	30,000
Long-term debt	55,555	59,500
Total liabilities	63,007	97,481
<b>Net assets:</b>		
Unrestricted -		
Operating	16,203	10,757
Net investment in fixed assets	61,611	75,449
Total unrestricted net assets	77,814	86,206
Temporarily restricted	100,000	-
Total net assets	177,814	86,206
Total liabilities and net assets	\$240,821	\$183,687

The accompanying notes are an integral part of this statement.

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.  
Youngsville, Louisiana

Statements of Activities  
Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Unrestricted net assets:		
Unrestricted support and revenue -		
Public support:		
Contributions -		
Town of Youngsville	\$ 11,217	\$ 10,385
State of Louisiana - Fire insurance tax	16,450	15,211
Miscellaneous donations	735	1,600
Total public support	<u>28,402</u>	<u>27,196</u>
Revenue:		
Contract service fees	30,000	25,000
Interest income	652	459
Miscellaneous	925	1,367
Total revenue	<u>31,577</u>	<u>26,826</u>
Total unrestricted support and revenue	<u>59,979</u>	<u>54,022</u>
Expenses:		
Program services -		
Fire-fighting	60,739	70,113
Support services -		
General and administrative	7,632	4,539
Total expenses	<u>68,371</u>	<u>74,652</u>
Decrease in unrestricted net assets	(8,392)	(20,630)
Temporarily restricted net assets:		
Contribution from Lafayette Parish Consolidated Government	<u>100,000</u>	<u>-</u>
Increase (decrease) in net assets	91,608	(20,630)
Net assets, beginning of year	<u>86,206</u>	<u>106,836</u>
Net assets, end of year	<u><u>\$177,814</u></u>	<u><u>\$ 86,206</u></u>

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, 1999 and 1998

	1999	1998
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 91,608	\$ (20,630)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	26,183	28,054
(Increase) decrease in operating assets:		
Accounts receivable	350	(350)
Accrued interest receivable	13	(6)
Increase (decrease) in operating liabilities:		
Accounts payable	(519)	(920)
Accrued interest payable	(259)	(132)
Deferred income	<u>(30,000)</u>	<u>30,000</u>
Net cash provided by operating activities	<u>87,376</u>	<u>36,016</u>
 Cash flows from investing activities:		
Purchase of interest-bearing deposits	(8,253)	(7,868)
Proceeds from the maturities of interest-bearing deposits	7,868	7,500
Cash restricted to purchase of equipment	(10,000)	-
Equipment deposit	(90,000)	-
Purchase of equipment, furniture and fixtures	<u>(8,649)</u>	<u>(1,964)</u>
Net cash used by investing activities	<u>(109,034)</u>	<u>(2,332)</u>
 Cash flows from financing activities:		
Principal paid on note payable	<u>(3,696)</u>	<u>(3,581)</u>
 Increase (decrease) in cash and cash equivalents	(25,354)	30,103
 Cash and cash equivalents, beginning of period	<u>36,651</u>	<u>6,548</u>
 Cash and cash equivalents, end of period	<u><u>\$ 11,297</u></u>	<u><u>\$ 36,651</u></u>

(continued)

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.  
Youngsville, Louisiana

Statements of Cash Flows (Continued)  
Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash	\$ 36,651	\$ 6,548
Interest-bearing deposits	7,868	7,500
Less: Certificates of deposit with a maturity over three months	<u>(7,868)</u>	<u>(7,500)</u>
Total cash and cash equivalents	<u>36,651</u>	<u>6,548</u>
Cash and cash equivalents, end of period -		
Cash	11,297	36,651
Interest-bearing deposits	8,253	7,868
Less: Certificates of deposit with a maturity over three months	<u>(8,253)</u>	<u>(7,868)</u>
Total cash and cash equivalents	<u>11,297</u>	<u>36,651</u>
Net increase (decrease)	<u><u>\$ (25,354)</u></u>	<u><u>\$ 30,103</u></u>
Supplemental disclosure of cash flow information:		
Interest paid	<u><u>\$ 3,980</u></u>	<u><u>\$ 4,216</u></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 Town of Youngsville, Louisiana; supervising, directing and controlling the proper care and use of all types of inflammable or combustible material found within the Town; 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

Property and equipment are stated at cost. Depreciable assets are depreciated using the straight-line method over the estimated useful lives of the individual assets as follows:

Buildings	30 years
Furniture and fixture	7 years
Fire trucks and engines	10 years
Fire fighting equipment	15 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.

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.

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.  
Youngsville, Louisiana

Notes to Financial Statements (Continued)

(2) Restrictions on Net Assets

All restrictions on net assets at December 31, 1999 are related to funds contributed from the City of Lafayette Consolidated Government for the purchase of a fire truck. As of December 31, 1999, an equipment deposit of \$90,000 was made toward the purchase of the fire truck, which was received in March 2000. Additional funding for the total cost of the truck will be financed through a loan from the Farmers Home Administration.

(3) Property, Plant and Equipment

The following is a summary of property, plant and equipment at December 31, 1999 and 1998:

	1999	1998
Land	\$ 15,000	\$ 15,000
Building	45,000	45,000
Equipment	112,305	106,577
Furniture and fixtures	5,310	2,389
Fire trucks and engines	200,493	200,493
Total property, plant and equipment	378,108	369,459
Less: Accumulated depreciation	(256,951)	(230,768)
Net property, plant and equipment	\$ 121,157	\$ 138,691

(4) Long-Term Debt

Following is a summary of long-term debt at December 31, 1999 and 1998

	1999	1998
Note payable to Farmers Home Administration, 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.	\$34,373	\$36,631

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.  
Youngsville, Louisiana

Notes to Financial Statements (Continued)

	1999	1998
Note payable to Farmers Home Administration, 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.	25,173	26,611
Total debt	59,546	63,242
Less: Current maturities included in current liabilities	(3,991)	(3,742)
Total long-term debt	\$ 55,555	\$ 59,500

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

Year	Amount
2000	\$ 3,991
2001	4,257
2002	4,542
2003	4,846
2004	5,171
2005-2011	36,739
	\$ 59,546

(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**

**COMPLIANCE  
AND  
INTERNAL CONTROL**

**KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC**  
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Youngsville Volunteer Fire Department, Inc.  
Youngsville, Louisiana

We have audited the financial statements of the Youngsville Volunteer Fire Department, Inc. for the year ended December 31, 1999, and have issued our report thereon dated May 15, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

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 grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Youngsville Volunteer Fire Department, Inc., internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Youngsville Volunteer Fire Department, Inc.'s, ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan at Item 99-1 (IC).

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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe the reportable condition described in the accompanying summary schedule of current and prior year audit findings and corrective action plan at Item 99-1 (IC) is a material weakness.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

***Kolder, Champagne, Slaven & Rainey, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
May 15, 2000

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan  
Year Ended December 31, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (12/31/99) --						
<u>Internal Control:</u>						
99-1(IC)	Unknown	Due to the small number of employees, the fire department did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	William Benoit, Treasurer	N/A
PRIOR YEAR (12/31/98) --						
98-1(IC)	Unknown	Due to the small number of employees, the fire department did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	William Benoit, Treasurer	N/A



**OTHER SUPPLEMENTAL INFORMATION**

YOUNGSVILLE VOLUNTEER FIRE DEPARTMENT, INC.  
Youngsville, Louisiana

Statements of Functional Expenses  
Years Ended December 31, 1999 and 1998

	1999	1998
Program service expenses:		
Fire-fighting -		
Communications	\$ 1,260	\$ 1,260
Dues and subscriptions	101	86
Utilities and telephone	2,265	2,106
Insurance	8,693	9,337
Repairs and maintenance	9,168	17,920
Supplies	5,703	688
Truck fuel	1,105	1,635
Uniforms	180	296
Education and training	1,199	888
Competition	902	3,621
Interest expense	3,980	4,222
Depreciation	26,183	28,054
Total program service expenses	60,739	70,113
Support service expenses:		
General and administrative -		
Professional fees	6,645	3,685
Meals	356	500
Advertising	242	-
Miscellaneous	272	226
Office expense	22	12
Postage expense	95	116
Total support service expenses	7,632	4,539
Total expenses	\$ 68,371	\$ 74,652