

Independence Volunteer Fire Department, Inc.
Independence, Louisiana

Annual Financial Statements

As of and for the Year Then Ended December 31, 2011

Independence Volunteer Fire Department, Inc.

**Annual Financial Statements
As of and for the Year Ended December 31, 2011
With Supplemental Information Schedules**

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Independent Accountant's Review Report

To the Officers of
Independence Volunteer Fire Department, Inc.
Independence, Louisiana

We have reviewed the accompanying statement of financial position of the Independence Volunteer Fire Department, Inc. (a non-profit Fire Department) as of December 31, 2011, and the related statements of activities, functional expenses and cash flows for the year ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Department's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

June 11, 2012

Independence Volunteer Fire Department, Inc.
Statement of Financial Position
As of December 31, 2011

		<u>2011</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$	79,724
Investments		
Receivables, Net		
Fire Protection District No.2 Contract Fees		75,028
Employee Receivable		215
Total Current Assets		<u>154,967</u>
Property, Plant, and Equipment		
Property, Plant and Equipment, Net		<u>6,588</u>
Total Property, Plant, and Equipment		<u>6,588</u>
Total Assets	\$	<u><u>161,555</u></u>
Liabilities		
Current Liabilities (Payable From Current Assets):		
Accounts Payable	\$	8,419
Accrued Salaries Payable		10,417
Accrued Payroll Taxes		6,720
Long Term Debt - Current Portion		15,300
Total Current Liabilities (Payable From Current Assets)		<u>40,856</u>
Long Term Liabilities:		
Long Term Debt		<u>-</u>
Total Long Term Liabilities		
Total Liabilities		<u>40,856</u>
Net Assets		
Unrestricted		-
Temporarily Restricted		120,699
Permanently Restricted		-
Total Net Assets		<u>120,699</u>
Total Liabilities and Net Assets	\$	<u><u>161,555</u></u>

See accompanying notes and independent accountant's review report.

Independence Volunteer Fire Department, Inc.
Statement of Activities
For the year ended December 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals 2011</u>
Operating Revenues				
Public Support				
Program Revenues:				
Rural Fire District No. 2 Contract Fees:				
Ad Valorem Taxes	\$ -	\$ 303,366	\$ -	\$ 303,366
State Revenue Sharing	-	30,839	-	30,839
Fire Insurance Premium Rebate	-	18,796	-	18,796
Bingo Revenue	-	19,768	-	19,768
Volunteer Fundraiser and Donations	-	15,840	-	15,840
State Supplemental Pay	-	24,150	-	24,150
Miscellaneous	-	13,211	-	13,211
Net Assets released from restrictions	484,385	(484,385)	-	-
Total Operating Revenues	<u>484,385</u>	<u>(58,415)</u>	<u>-</u>	<u>425,970</u>
 Operating Expenses				
Program Services	349,747	-	-	349,747
Management and General	20,713	-	-	20,713
Fund Raising	25,667	-	-	25,667
Total Operating Expenses	<u>396,127</u>	<u>-</u>	<u>-</u>	<u>396,127</u>
 Change in Net Assets from Operations	<u>88,258</u>	<u>(58,415)</u>	<u>-</u>	<u>29,843</u>
 Transfers to Governments				
Equipment purchased and transferred to the Rural Fire Protection District No 2.	54,768	-	-	54,768
Return of Appropriation to Rural Fire Protection District No 2. - Principal and Interest	33,490	-	-	33,490
Total Transfers to Governments	<u>88,258</u>	<u>-</u>	<u>-</u>	<u>88,258</u>
 Change in Net Assets	<u>-</u>	<u>(58,415)</u>	<u>-</u>	<u>(58,415)</u>
 Total Net Assets, Beginning	<u>-</u>	<u>179,114</u>	<u>-</u>	<u>179,114</u>
Total Net Assets, Ending	<u>\$ -</u>	<u>\$ 120,699</u>	<u>\$ -</u>	<u>\$ 120,699</u>

See accompanying notes and independent accountant's review report.

Independence Volunteer Fire Department, Inc.
Statement of Functional Expenses
For the year ended December 31, 2011

	<u>Program Services</u>			
	<u>Fire Protection</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Expenses				
Salaries and Wages	\$ 209,279	\$ 11,015	\$ -	220,294
Employee Benefits	17,802	937	-	18,739
Bingo Expenses	-	-	25,667	25,667
Depreciation	1,210			1,210
Insurance	33,553	1,766	-	35,319
Professional Fees	9,960	2,490	-	12,450
Repairs and Maintenance	23,001	-	-	23,001
Supplies	13,509	711	-	14,220
Telephone	9,664	-	-	9,664
Uniforms	16,594	-	-	16,594
Utilities	2,328	582	-	2,910
Other	12,847	3,212		16,059
Total Expenses	<u>\$ 349,747</u>	<u>20,713</u>	<u>25,667</u>	<u>396,127</u>

See accompanying notes and independent accountant's review report.

Independence Volunteer Fire Department, Inc.
Statement of Cash Flows
For the year ended December 31, 2011

	2011
Cash Flows From Operating Activities	
Change in Net Assets	\$ (58,415)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	1,210
Changes in operating assets and liabilities	
(Increase) decrease in receivables	(13,373)
(Increase) decrease in inventories	
(Increase) decrease in other assets	
Increase (decrease) in accounts payable	(7,041)
Increase (decrease) in accrued payables	12,056
Net Cash Provided by (Used by) Operating Activities	(65,563)
 Cash Flows From Investing Activities	
Purchases of property	(7,798)
Net Cash Provided by (Used) by Investing Activities	(7,798)
 Net Cash Increase (Decrease) in Cash and Cash Equivalents	(73,361)
Cash and Cash Equivalents, Beginning of Year	153,085
Cash and Cash Equivalents, End of Year	\$ 79,724
 Supplemental disclosures of cash flow information	
Cash paid during the year for interest	\$ 7,490
Cash paid during the year for income taxes	\$ -

See accompanying notes and independent accountant's review report.

Independence Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

Introduction

The Independence Volunteer Fire Department, Inc. (hereinafter referred to as the "Fire Department") is a Louisiana non-profit organization. The Fire Department's purpose is to operate exclusively as a volunteer fire fighting Fire Department to provide fire protection and emergency response services in the Town of Independence and the surrounding rural areas. The Fire Department is governed by officers consisting of a chief, a first assistant chief, a second assistant chief, a third assistant chief, and three captains, each of which is elected by the membership. At the present time, the Fire Department has approximately five active volunteer firemen. The Fire Department maintains an office at Fire Station Number 1. The Fire Department also maintains equipment in four fire stations, two fire stations in the town, one fire station on Red Hill Road, and one fire station on Noto Road.

1. Summary of Significant Accounting Policies

The Fire Department has certain transactions with Rural Fire Protection District No. 2 which include reporting the payment of debt and asset purchases that belong to the Rural Fire Protection District No. 2, as expenses on the statement of activities and changes in net assets as "Transfers to Governments", under the categories of "Return of Appropriation to Rural Fire Protection District No. 2 for Debt Principal and Interest" and "Equipment Purchases" respectively.

A. Basis of Presentation

Revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organization*. Under SFAS No. 117, Independence Volunteer Fire Department, Inc. is required to report information regarding its financial position and activities into three classes of net assets.

Accordingly, the net assets of the Fire Department and changes therein are classified and reported as follows:

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

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions on their use that may be met either by actions of the Fire Department or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed or other legal restrictions requiring that the principal be maintained permanently by the Fire Department. Generally, the donors permit the Fire Department to use all or part of the income earned for either general or donor-specified purposes.

Independence Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

B. Support and Revenue

Support consists primarily of contract payments received from the Rural Fire Protection District No. 2 of Tangipahoa Parish (Fire District No. 2) in the form of ad valorem taxes, state revenue sharing funds, and fire insurance rebate funds. The Fire Department receives a percentage of the total funds available to the Fire District No. 2 based on a formula contained in the original contract agreed to by all participating fire departments in Tangipahoa Parish. The ad valorem tax allocation is established in January of each year and is disbursed by Fire Protection District No. 2 on a quarterly basis. State revenue sharing and fire insurance rebate funds are disbursed to participating fire departments by Fire District No. 2 as the funds become available. As a result, ad valorem taxes and interest income is recognized as income in the period earned. State revenue sharing funds, fire insurance rebate funds, and all other revenue are recognized as income when received.

C. Revenue Recognition

Contributions, which include unconditional promises to give (pledges) are recognized as revenues in the period received or promised. Conditional contributions are recorded when the conditions have been met. Contributions are considered to be unrestricted unless specifically restricted by the donor.

The Fire Department reports contributions in the temporarily or permanently restricted net asset class if they are received with donor stipulations as to their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are released and reclassified to unrestricted net assets in the consolidated statement of activities. Donor-restricted contributions are initially reported in the temporarily restricted net asset class, even if it is anticipated such restrictions will be met in the current reporting period.

Gains and losses on investments and other assets and liabilities are reported as increases and decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

D. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits. Amounts in time deposits and those investments with original maturities of ninety (90) days or less are considered to be cash equivalents. The Fire Department has no cash equivalents.

Independence Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

F. Fair Values of Financial Instruments

The Fire Department's financial instruments, none of which are held for trading purposes, include cash. The following methods and assumptions used by the Fire Department in estimating its fair value disclosures for financial statements are:

Cash: The carrying amounts reported in the statement of financial position approximate fair value because of the short term maturities of those instruments.

G. Statement of Cash Flows

For the purposes of the statement of cash flows, all investments with a maturity of 90 days or less are considered to be cash equivalents.

H. Property and Equipment

The Independence Volunteer Fire Department, Inc.'s policy is to expense all assets purchased with appropriations from Rural Fire Protection District No. 2, because they are owned by Rural Fire Protection District no. 2 as stated in the contract between Rural Fire Protection District No. 2 and the ten individual fire departments. Assets purchased with other revenues are recorded as fixed assets when purchased.

Donations of property and equipment, if any, are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted contributions absent donor stipulations regarding how long those donated assets must be maintained. The Fire Department reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Fire Department reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Fixed assets are stated at cost. The Fire Department maintains a threshold level of \$500 or more for capitalizing fixed assets. Renewals and betterments that materially extend the life of the asset are capitalized. Upon retirement or disposal of an asset, the cost of the asset and the related accumulated depreciation are removed from the books. Any resulting gain or loss is included in the statement of activities. Straight -line depreciation is used. The assets are depreciated using the following useful lives:

Description	Estimated Lives
Buildings and Building Improvements	10 to 40 Years
Machinery and Equipment	5 to 7 Years
Vehicles	5 to 15 Years

Independence Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

I. Contributed Services and Materials

Contributed services are reported at fair value in the financial statements for voluntary donations of services when those services (1) create or enhance non-financial assets or (2) require specialized skills provided by individuals possessing those skills and are services which would be typically purchased if not provided by donation.

No amounts have been reflected in these financial statements for donated services from volunteer fire fighters because the value of these services was not readily determinable. However, five volunteers have donated a significant amount of their time to the Fire Department's program services.

Donated materials are recorded at their fair value at the date of the gift. The Fire Department does not imply time restrictions for gifts of long-lived assets. As a result, in the absence of donor-imposed restrictions, gifts of long-lived assets are reported as unrestricted revenue.

J. Income Taxes

The Independence Volunteer Fire Department, Inc. is a not-for-profit Fire Department. The Fire Department is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code, except on net income derived from unrelated business activities.

Independence Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

2. Cash and Cash Equivalents

Cash and cash equivalents book balances at December 31, 2011 consists of the following:

Demand Deposits	\$	79,724
Total	\$	<u><u>79,724</u></u>

The Fire Department had \$86,837 in bank balances at one bank at December 31, 2011. Funds did not exceed Federal Deposit Insurance limits.

3. Receivables and Revenues

Receivables at December 31, 2011 consist of the following:

		<u>Total</u>
Ad Valorem Taxes - Due from Rural Fire Protection District No. 2	\$	<u>75,028</u>
Employee Receivable		<u>215</u>
Total Receivables	\$	<u><u>75,243</u></u>

No allowance for uncollectible accounts is required at December 31, 2011.

4. Property and Equipment

The cost and accumulated depreciation of property and equipment at December 31, 2011 is as follows:

		<u>2011</u>
Property and Equipment		
Equipment	\$	<u>7,798</u>
Subtotal Property and Equipment		<u>7,798</u>
Less: Accumulated Depreciation		<u>(1,210)</u>
Property and Equipment, net	\$	<u><u>6,588</u></u>

During the fiscal year ending December 31, 2011, the Independence Volunteer Fire Department, Inc. expensed property and equipment of \$54,768 purchased with appropriations from Rural Fire Protection District No. 2, because they are owned by Rural Fire Protection District No. 2, as stated in the contract with Rural Fire Protection District No. 2.

5. Donated Services

Most of the Fire Department's program and supporting services are provided by volunteers. In addition, the Fire Department utilizes an office, four fire stations, equipment, paid firemen and various administrative expenses which are paid by funds received from Rural Fire Protection District No. 2 of Tangipahoa Parish (District). No amounts have been included in the financial statements for donated services for facilities since no objective basis is available to measure the value of such services and facilities.

Independence Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

6. Long Term Indebtedness:

	Loans Payable	Due Within One
	End of Year	Year
Loan with First Guaranty Bank originally obtained in 2006 for grant match and subsequently renewed twice in 2009 with additional funds for operating expenses. No payments are being made on this loan. This loan is currently in litigation. Unsecured.	\$ 15,300	\$ 15,300
	\$ 15,300	\$ 15,300

The annual requirements to amortize all debt outstanding at December 31, 2011, including interest payments of \$0 and the total amount of \$15,300 is due currently in the fiscal year ending December 31, 2011. Total interest charged to expense for the year ended December 31, 2011 was \$0.

7. Appropriations from Loan Proceeds

In 2009, Rural Fire Protection District No. 2 borrowed \$250,000 on Certificates of Indebtedness, Series 2008B to be used by the Independence Volunteer Fire Department, Inc. to purchase a new tanker/pumper truck.

The following certificates of indebtedness were issued: certificates R-2, R-3, R-4, R-5, R-6, R-7, R-8, and R-9 were for \$240,000 with an interest rate of 3.86 percent between the Tangipahoa Rural Fire Protection District No. 2 and Hancock Bank. Certificate R-1 was for \$10,000 with an interest rate of 3.93 percent between the Tangipahoa Rural Fire Protection District No. 2 and Hancock Bank.

There is no contractual agreement that requires the Independence Volunteer Fire Department, Inc. to repay this indebtedness to the Rural Fire Protection District No. 2. However, the Fire Department is expected to pay the annual debt service on these certificates of indebtedness from the annual appropriation to be received from Rural Fire Protection District No. 2.

At December 31, 2011, the balances owed by the Rural Fire Protection District No. 2 on Certificates of indebtedness, Series 2008B were as follows:

	Certificate of Indebtedness from Hancock
Beginning Balance	\$ 205,000
Additions	-
Deletions	(26,000)
Ending Balance	\$ 179,000

Independence Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

The annual requirements to amortize the debt outstanding at December 31, 2011, including interest payments of \$21,558 are as follows:

Year Ending 12/31/11	Certificates of Indebtedness (Hancock Bank)
2012	\$ 33,388
2013	33,327
2014	33,227
2015	33,088
2016 to 2017	67,528
	\$ 200,558

8. Contract with the Rural Fire Protection District No. 2

The Tangipahoa Parish Government (the parish governing authority) created the Rural Fire Protection District No. 2 of Tangipahoa Parish (District) funded by an ad valorem tax to provide fire protection and emergency response service in the rural areas of the parish. The boundaries of the District include the unincorporated areas of Tangipahoa Parish.

The Fire Department adopted a resolution and entered into an agreement with the Rural Fire Protection District No. 2 to provide fire protection and emergency response services in unincorporated areas surrounding the Town of Independence. Funding is provided by an ad valorem tax and related state revenue sharing. Under the terms of the contract with the District these funds "shall be expended solely for the purposes of operating, maintaining, and / or purchasing of equipment or supplies and salaries if approved by Fire District No. 2." Equipment purchased remains the property of the Fire District and is not recorded into the accompanying financial statements.

Independence Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

9. Gaming

On October 1, 2009, the Fire Department began running a Bingo game. The Bingo revenue as well as all the payouts and expenses are included in the financial statements. The charitable gaming account donated \$15,840 to the Independence Volunteer Fire Department, Inc., which is included in volunteer fundraisers and donation income. In addition the following gaming activity is reflected in the financial statements. During the year 2011, the bingo hall closed operation, so the Fire Department will no longer have these revenues or expenses.

Bingo fundraising related activity for the year ending December 31, 2011 consisted of the following:

Bingo Revenue		\$ 19,768
Bingo Expenses		
Payouts	2,000	
Rent	4,365	
Supplies	723	
Other	<u>18,579</u>	
		(25,667)
Net Bingo Fundraising Activity		<u><u>\$ (5,899)</u></u>

10. Concentrations

For the fiscal year ended December 31, 2011, \$303,366 or approximately 71 percent of the Independence Volunteer Fire Department, Inc.'s revenues was derived from ad valorem taxes collected through contract fees with the Rural Fire District No. 2.

11. Commitments and Contingencies

The Fire Department was not involved in any litigation warranting disclosure at December 31, 2011.

12. Subsequent Events

Subsequent Events were evaluated through June 11, 2012.

Bruce C. Harrell, CPA

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Officers of
Independence Volunteer Fire Department, Inc.
Independence, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Independence Volunteer Fire Department, Inc. (a nonprofit organization) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Fire Department's compliance with certain laws and regulations during the fiscal year ended December 31, 2011, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

Response:

There were no expenditures for fiscal year ended December 31, 2011 that were subject to the bid law.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Response:

Management provided us with the required list.

3. Obtain from management a listing of all employees paid during the period under examination.

Response:

Management provided us with the required list.

To the Officers of
Independence Volunteer Fire Department, Inc.
Independence, Louisiana

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Response:

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

6. Trace the budget adoption and amendments to the minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by five percent or more or if actual expenditures exceed budgeted amounts by five percent or more.

Response:

The Independence Volunteer Fire Department, Inc. is not subject to filing a budget as a non profit corporation. Therefore items five, six, and seven were not applicable.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

- a. Trace payments to supporting documentation as to proper amount and payee.
- b. Determine if payments were properly coded to the correct fund and general ledger account.
- c. Determine whether payments received approval from proper authorities.

Response:

- a. We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.
- b. We noted no exceptions.
- c. Inspection of documentation supporting each of the six selected disbursements indicated proper approval.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Response:

The Independence Volunteer Fire Department, Inc. is only required to post a notice of each meeting and the accompanying agenda on the door of the building. We noted a copy of the notice was posted as required.

To the Officers of
Independence Volunteer Fire Department, Inc.
Independence, Louisiana

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

Response:

The Fire Department has no new long-term debt.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

Response:

A reading of the minutes of the Fire Department and transactions reviewed for the year indicated no payments to employees which would constitute bonuses, advances, or gifts.

Prior Comments and Recommendations

12. Review any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

- 2009-I-1 (Limited Segregation of Duties): The Independence Volunteer Fire Department, Inc. is a small agency and there will continue to be limited segregation of duties for recording and reporting financial transactions. The Fire Department responded to this finding by requiring two signatures on all checks and provides for financial reporting and reconciliation of bank accounts on no less than a quarterly basis, by an outside certified public accountant. Limited segregation of duties is inherent to a small agency; therefore compliance to recommendations remains a continuing process.
- We were not engaged to, and did not; perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Independence Volunteer Fire Department, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
June 11, 2012

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

For: Independence Volunteer Fire Department, Inc.
Fiscal Year Ending: December 31, 2011

Bruce Harrell & Company, CPAs
P.O. Box 45
909 Avenue G
Kentwood, LA 70444

In connection with your review of our financial statements as of December 31, 2011 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 30, 2011.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [X] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [X] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [X] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [X] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [X] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [X] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes No

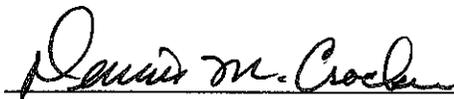
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.



Fire Chief 6-11-12 Date