

**White Castle Volunteer Fire Department, Inc.  
White Castle, Louisiana**

**Financial Report  
(Compiled)**

**September 30, 2005**

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 4-26-06

**White Castle Volunteer Fire Department, Inc.  
White Castle, Louisiana**

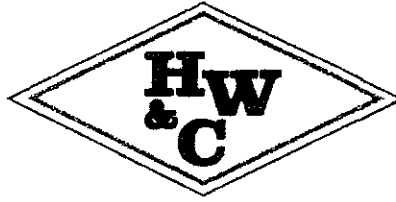
**Table of Contents**

September 30, 2005

<b>Accountant's Compilation Report</b>	Page	3
<b>Financial Statements</b>		
Statements of Financial Position	Page	4
Statements of Activities	Page	5
Statements of Cash Flows	Page	6
Notes to Financial Statements	Page	7

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January 30, 2006

**Accountant's Compilation Report**

Board of Directors  
White Castle Volunteer Fire Department, Inc.  
White Castle, Louisiana

Members of the Board:

We have compiled the accompanying statements of financial position of the

**White Castle Volunteer Fire Department, Inc.**  
**(A Non-Profit Organization)**  
**White Castle, Louisiana**

as of September 30, 2005 and 2004 and the related statements of activities and cash flows, for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or an other form of assurance on them.

Yours truly,

*Hawthorn, Waymouth & Carroll, L.L.P.*

**White Castle Volunteer Fire Department, Inc.**  
**Statements of Financial Position**  
**September 30, 2005 and 2004**  
 (See Accountant's Compilation Report)

<b>Assets</b>		
	<u>2005</u>	<u>2004</u>
<b>Current Assets</b>		
Cash	\$54,580	\$66,811
Due from Iberville Parish Council	<u>4,779</u>	<u>3,828</u>
<u>Total current assets</u>	59,359	70,639
 <b>Property - net of accumulated depreciation</b>	 <u>290,255</u>	 <u>316,659</u>
<u>Total assets</u>	<u>349,614</u>	<u>387,298</u>
 <b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current portion of long-term debt	21,983	44,782
Accounts payable	<u>1,778</u>	<u>1,942</u>
<u>Total current liabilities</u>	23,761	46,724
 <b>Long-Term Debt - net of current portion</b>	 <u>184,175</u>	 <u>205,941</u>
<u>Total liabilities</u>	207,936	252,665
 <b>Net Assets - unrestricted</b>	 <u>141,678</u>	 <u>134,633</u>
<u>Total liabilities and net assets</u>	<u>349,614</u>	<u>387,298</u>

The accompanying notes are an integral part of these statements.

**White Castle Volunteer Fire Department, Inc.**  
**Statements of Activities**  
**Years Ended September 30, 2005 and 2004**  
**(See Accountant's Compilation Report)**

	<u>2005</u>	<u>2004</u>
<b>Revenues</b>		
Sales tax proceeds	\$86,872	\$88,908
Contributed supplies	51,686	23,563
Donations	2,551	1,984
Interest	540	641
Other	<u>1,836</u>	<u>2,229</u>
<u>Total revenues and support</u>	<u>143,485</u>	<u>117,325</u>
 <b>Expenses</b>		
Supplies	6,794	11,129
Contributed supplies	51,686	23,563
Depreciation	35,742	15,213
Office	12,307	15,753
Maintenance	11,245	12,115
Training	4,238	4,791
Interest	11,472	6,278
Other	<u>2,956</u>	<u>2,258</u>
<u>Total expenses</u>	<u>136,440</u>	<u>91,100</u>
 <b>Increase in net assets</b>	 7,045	 26,225
 <b>Net Assets</b>		
Beginning of year	<u>134,633</u>	<u>108,408</u>
End of Year	<u>141,678</u>	<u>134,633</u>

The accompanying notes are an integral part of these statements.

**White Castle Volunteer Fire Department, Inc.**  
**Statements of Cash Flows**  
**Years Ended September 30, 2005 and 2004**  
(See Accountant's Compilation Report)

	<u>2005</u>	<u>2004</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$7,045	\$26,225
Adjustments to reconcile increase in net assets to net cash provided by operations		
Depreciation	35,742	15,213
Change in operating assets and liabilities:		
Due from Iberville Parish Council	(951)	(915)
Accounts Payable	<u>(164)</u>	<u>1,942</u>
<u>Net cash provided by operating activities</u>	41,672	42,465
 <b>Cash Flows From Investing Activities</b>		
Investments in fixed assets	(9,338)	(5,710)
 <b>Cash Flows From Financing Activities</b>		
Payment on long-term debt, including capital leases	<u>(44,565)</u>	<u>(29,050)</u>
<u>Net increase (decrease) in cash</u>	(12,231)	7,705
 <b>Cash</b>		
Beginning of year	<u>66,811</u>	<u>59,106</u>
End of year	<u>54,580</u>	<u>66,811</u>
 <b>Supplemental Data:</b>		
Interest Paid	<u>11,472</u>	<u>6,278</u>

**Non-Cash Transactions:**

In 2004, the Department acquired a fire truck for \$220,309 utilizing a capital lease.

The accompanying notes are an integral part of these statements.

**White Castle Volunteer Fire Department, Inc.**  
**Notes to Financial Statements**  
**September 30, 2005 and 2004**

**Note 1-Summary of Significant Accounting Policies**

**Operations**

White Castle Volunteer Fire Department, Inc. (Department) is a non-profit corporation within the meaning of Section 501(c)(4) of the Internal Revenue Code. The purpose of the Department is to provide fire protection, emergency medical service, and hazardous materials handling to the citizens of the Town of White Castle (the Town) and its outlying areas.

**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 its 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, 2005 and 2004.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and related disclosures of the financial statements. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation 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 by the Internal Revenue Service as other than a private foundation.

**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 are recognized as received.

**White Castle Volunteer Fire Department, Inc.**  
**Notes to Financial Statements**  
**September 30, 2005 and 2004**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Cash and cash equivalents**

For purposes of the statement of cash flows, the Department considers cash in bank accounts as cash. The Department has no cash equivalents at September 30, 2005 and 2004.

**Fair value of financial instruments**

The carrying value of cash and receivables approximate fair value due to the short-term maturity of these instruments. Financial instruments are not held for trading purposes.

**Equipment and depreciation**

Equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated service lives of the assets. A fire truck was purchased during 2004 for \$220,309 under a capital lease arrangement. Amortization of such equipment is included in depreciation expense. Accumulated amortization for such equipment was \$23,867 and \$1,836 for 2005 and 2004 respectively.

**Note 2 - Property**

A summary of property, related service lives, and accumulated depreciation at September 30, 2005 and 2004, is as follows:

<u>Equipment</u>	<u>Estimated Service Life</u>	<u>2005</u>	<u>2004</u>
Building	30 years	\$101,155	\$101,155
Land Improvements	10 years	8,460	8,460
Fire truck - pledged	10 years	349,668	349,668
Vehicle	5 years	3,875	3,875
Equipment	3-5 years	<u>132,246</u>	<u>122,908</u>
		595,404	586,066
Less accumulated depreciation		<u>(305,149)</u>	<u>(269,407)</u>
Property, net of accumulated depreciation		<u>290,255</u>	<u>316,659</u>

**White Castle Volunteer Fire Department, Inc.**  
**Notes to Financial Statements**  
**September 30, 2005 and 2004**

**Note 2 - Property** (continued)

Certain property is pledged to secure Department debt. See Note 3. Depreciation expense was \$35,742 and \$15,213 for the years ended September 30, 2005 and 2004, respectively.

**Note 3 - Long-Term Debt**

A summary of long-term debt at September 30, 2005 and 2004, is as follows:

	<u>2005</u>	<u>2004</u>
Note payable in monthly installments of \$2,101, including interest at 7.19%, maturing in July 2005, secured by a building and a vehicle.		\$20,250
Note payable in monthly installments of \$598, including interest at 7.25%, maturing in March 2006, secured by fire equipment.	\$3,503	10,164
Lease payable in annual installments of \$27,938, including interest at 4.57%, maturing in September 2014, secured by a vehicle.	<u>202,655</u>	<u>220,309</u>
Total Debt	206,158	250,723
Less current maturities	<u>(21,983)</u>	<u>(44,782)</u>
Long-term portion	<u>184,175</u>	<u>205,941</u>

Future maturities are as follows:

<u>September 30,</u>	<u>Amount</u>
2006	\$21,983
2007	19,343
2008	20,245
2009	21,190
2010	22,179
2011-2014	<u>101,218</u>
	<u>206,158</u>

**White Castle Volunteer Fire Department, Inc.**  
**Notes to Financial Statements**  
**September 30, 2005 and 2004**

**Note 3 - Long-Term Debt (continued)**

The following is a schedule of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of September 30, 2005:

<u>September 30,</u>	<u>Amount</u>
2006	\$27,938
2007	27,938
2008	27,938
2009	27,938
2010	27,938
Thereafter	<u>111,755</u>
Total	251,445
Less the amount representing interest	<u>(48,790)</u>
Present value of net minimum lease payments	<u>202,655</u>

The Department is primarily responsible for payment of certain debt; however, the Iberville Parish Council (Parish) guaranteed the \$20,250 note payable which was paid off in 2005. As described in Note 4, the Parish, with the Department's consent, made direct payments of \$2,101 monthly to fund the required debt service.

**Note 4 - Related Party Transactions**

Since the Department provides a service that would otherwise be provided by the Town, the Town provides support. The Town assumes certain costs and provides the facilities and equipment used by the Department. The equipment has an original cost of approximately \$266,013 which is not included in the equipment described in Note 2.

The Town budgets an amount to be expended in the purchase of various supplies for the Department. The amount of such expenditures in 2005 and 2004 was \$51,686 and \$23,563, respectively, and is included in these financial statements.

The Department continues to receive allocated sales tax proceeds from the Iberville Parish Council in exchange for providing fire protection to certain areas of the Parish extending beyond city limits. Additionally, the Parish guarantees certain debt of the Department as described in Note 3.

**Note 5 - Economic Dependency**

The Department derives a significant portion of its revenues from a dedicated parish-wide sales tax, the loss of which would have a material adverse affect. During the years ended September 30, 2005 and 2004, revenue derived from governmental sources (Iberville Parish Council) accounted for approximately 95% of total revenue.