

# Keys ACCOUNTING & TAX SERVICE, INC.

ENROLLED TO PRACTICE BEFORE  
THE INTERNAL REVENUE SERVICE

Richard Overfield, E.A.  
Sandi Haab, E.A.  
Sue Stein, E.A.  
Rick Darden, E.A.  
Anne Harris, E.A.

ACCOUNTANTS

Darren Bailey  
Dayamis Camuccio  
Jackie Gargan  
Debra Overfield  
Candy Wokral

Key Largo Volunteer Fire Rescue & Department Inc.  
P O Box 782  
Key Largo, FL 33037

Dear Client,

Pursuant to our engagement to provide financial data to Key Largo Volunteer Fire Rescue & Department, Inc. we attach the following statements:

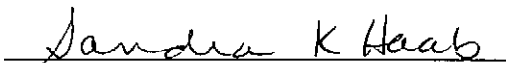
Balance Sheet – Tax Basis as of February 29, 2012  
Profit and Loss Statement - Tax Basis for the two month period ending February 29, 2012

These statements were prepared from the books and records of Key Largo Volunteer Fire Rescue & Department, Inc. in conformity with tax accounting principles as prescribed by the U.S. Internal Revenue Code.

We are not independent with respect to Key Largo Volunteer Fire Rescue & Department, Inc.

Very truly yours,

KEYS ACCOUNTING & TAX SERVICE, INC.

  
For the Firm

**KEY LARGO VOLUNTEER FIRE & RESCUE**  
**Balance Sheet - Tax Basis**  
As of February 29, 2012

	<u>Feb 29, 12</u>	<u>Feb 28, 11</u>	<u>\$ Change</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
CAPITAL BANK	43,491.42	52,873.52	-9,382.10
MORGAN STANLEY	55,702.19	54,071.69	1,630.50
<b>Total Checking/Savings</b>	<u>99,193.61</u>	<u>106,945.21</u>	<u>-7,751.60</u>
<b>Accounts Receivable</b>			
Accounts Receivable	41,899.75	13,081.69	28,818.06
<b>Total Accounts Receivable</b>	<u>41,899.75</u>	<u>13,081.69</u>	<u>28,818.06</u>
<b>Other Current Assets</b>			
Undeposited Funds	-11,578.42	306.71	-11,885.13
<b>Total Other Current Assets</b>	<u>-11,578.42</u>	<u>306.71</u>	<u>-11,885.13</u>
<b>Total Current Assets</b>	<u>129,514.94</u>	<u>120,333.61</u>	<u>9,181.33</u>
<b>Fixed Assets</b>			
ACCUMULATED DEPRECIATION	-171,038.00	-141,206.00	-29,832.00
BUILDING & LAND	982,795.00	982,795.00	0.00
CHIEFS VEHICLE	43,267.44	43,267.44	0.00
COMPUTER SOFTWARE	4,867.50	4,867.50	0.00
COMPUTERS	9,192.31	9,192.31	0.00
EXERCISE EQUIPMENT	3,900.00	3,900.00	0.00
TECHNICAL EQUIP FOR NORTH STATI	4,935.00	4,935.00	0.00
TRAILER	2,004.00	2,004.00	0.00
<b>Total Fixed Assets</b>	<u>879,923.25</u>	<u>909,755.25</u>	<u>-29,832.00</u>
<b>TOTAL ASSETS</b>	<u><b>1,009,438.19</b></u>	<u><b>1,030,088.86</b></u>	<u><b>-20,650.67</b></u>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Other Current Liabilities</b>			
DESIGNATED CONTRIBUTIONS	10,315.26	8,179.52	2,135.74
FL WORKER'S COMP JUA	11,937.68	11,937.68	0.00
L/P TIB - CHIEF'S VEHICLE	0.00	5,643.08	-5,643.08
PAYROLL LIABILITIES	4,698.14	5,093.42	-395.28
<b>Total Other Current Liabilities</b>	<u>26,951.08</u>	<u>30,853.70</u>	<u>-3,902.62</u>
<b>Total Current Liabilities</b>	<u>26,951.08</u>	<u>30,853.70</u>	<u>-3,902.62</u>
<b>Total Liabilities</b>	<u>26,951.08</u>	<u>30,853.70</u>	<u>-3,902.62</u>
<b>Equity</b>			
RETAINED EARNINGS	991,462.47	1,008,385.94	-16,923.47
VALUE CHANGE - MORGAN STANLEY	-3,107.25	-2,908.87	-198.38
Net Income	-5,868.11	-6,241.91	373.80
<b>Total Equity</b>	<u>982,487.11</u>	<u>999,235.16</u>	<u>-16,748.05</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>1,009,438.19</b></u>	<u><b>1,030,088.86</b></u>	<u><b>-20,650.67</b></u>

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Accrual Basis

**KEY LARGO VOLUNTEER FIRE & RESCUE**  
**Profit & Loss - Tax Basis**  
**January through February 2012**

	Jan - Feb 12	Jan - Feb 11	\$ Change
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
CHIEF'S VEHICLE INCOME	1,300.00	2,600.00	-1,300.00
DONATIONS	1,270.16	5,260.00	-3,989.84
<b>Total Income</b>	<b>2,570.16</b>	<b>7,860.00</b>	<b>-5,289.84</b>
<b>Gross Profit</b>	<b>2,570.16</b>	<b>7,860.00</b>	<b>-5,289.84</b>
<b>Expense</b>			
ACCOUNTING	416.25	902.50	-486.25
ADVERTISING	78.40	262.80	-184.40
ASSIST REFRESHMENTS	1,387.54	1,609.12	-221.58
BANK CHARGES	180.67	136.84	43.83
DUES & SUBSCRIPTIONS	50.00	0.00	50.00
GENERAL DEPARTMENTAL	215.07	475.00	-259.93
HONOR GUARD	0.00	605.00	-605.00
LEGAL FEES	15,000.00	5,000.00	10,000.00
OFFICE SUPPLIES	183.25	61.25	122.00
OPERATING SUPPLIES	235.21	190.00	45.21
POSTAGE	6.45	0.00	6.45
SALARIES	-24,784.41	2,894.96	-27,679.37
SOLICITATION LETTER	561.96	0.00	561.96
TELEPHONE	275.18	251.88	23.30
TRAINING	205.00	0.00	205.00
TRAVEL	-207.63	50.00	-257.63
UNIFORMS	1,251.45	0.00	1,251.45
VEHICLES	0.00	54.73	-54.73
WAYS & MEANS EXPENSE	12,500.83	1,556.49	10,944.34
<b>Total Expense</b>	<b>7,555.22</b>	<b>14,050.57</b>	<b>-6,495.35</b>
<b>Net Ordinary Income</b>	<b>-4,985.06</b>	<b>-6,190.57</b>	<b>1,205.51</b>
<b>Other Income/Expense</b>			
<b>Other Income</b>			
DIVIDEND INCOME	287.60	186.89	100.71
INTEREST	27.41	-238.23	265.64
TRAINING INCOME	325.00	0.00	325.00
<b>Total Other Income</b>	<b>640.01</b>	<b>-51.34</b>	<b>691.35</b>
<b>Other Expense</b>			
OVER DISTRICT BUDGET	1,523.06	0.00	1,523.06
<b>Total Other Expense</b>	<b>1,523.06</b>	<b>0.00</b>	<b>1,523.06</b>
<b>Net Other Income</b>	<b>-883.05</b>	<b>-51.34</b>	<b>-831.71</b>
<b>Net Income</b>	<b>-5,868.11</b>	<b>-6,241.91</b>	<b>373.80</b>