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HESSMER VOLUNTEER FIRE DEPARTMENT, INC.
AVOYELLES PARISH POLICE JURY
HESSMER, LOUISIANA

FINANCIAL REPORT
December 31, 1995

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 SEP 04 1996

KENNETH J. RACHAL
CERTIFIED PUBLIC ACCOUNTANT
Hessmer, Louisiana

HESSMER VOLUNTEER FIRE DEPARTMENT, INC.
AVOYELLES PARISH POLICE JURY
HESSMER, LOUISIANA

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December 31, 1995

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INDEPENDENT AUDITOR'S REPORT ON THE COMPONENT UNIT FINANCIAL STATEMENTS

Board of Directors
Hessmer Volunteer Fire Department, Inc.
Hessmer, Louisiana

I have audited the accompanying component unit financial statements of the Hessmer Volunteer Fire Department, Inc., Hessmer, Louisiana, a component unit of the Avoyelles Parish Police Jury, as of December 31, 1995 and for the year then ended. These component unit financial statements are the responsibility of the Hessmer Volunteer Fire Department, Inc.'s management. My responsibility is to express an opinion on these component unit financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Hessmer Volunteer Fire Department, Inc., Hessmer, Louisiana, as of December 31, 1995, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Kenneth J. Rachal

Hessmer, Louisiana
July 03, 1996



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON A FINANCIAL STATEMENT AUDIT CONDUCTED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Hessmer Volunteer Fire Department, Inc,
Hessmer, Louisiana

I have audited the component unit financial statements of the Hessmer Volunteer Fire Department, Inc., Hessmer, Louisiana, as of and for the year ended December 31, 1995, and have issued my report thereon dated July 03, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

In planning and performing my audit of the component unit financial statements of the Hessmer Volunteer Fire Department, Inc. for the year ended December 31, 1995, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the component unit financial statements and not to provide assurance on the internal control structure.

The management of the Hessmer Volunteer Fire Department, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected.

Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories:

- Cash
- Governmental revenue and receivables
- Expenditures for goods and services and accounts payable
- Property, equipment and capital expenditures
- Debt and debt service expenditures

For all of the control categories listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

I noted a certain matter involving the internal control structure and its operation that I consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the component unit financial statements.

1. Deficiencies in control structure design:

A. Inadequate segregation of duties-The Corporation does not have a proper segregation of duties. This weakness is due to the small size of the Corporation and, therefore, its inability to prevent overlapping of duties.

Response: No response is necessary.

Response to prior year findings:

Based upon a review of prior year findings, the Corporation appears to have corrected all items noted.

Board of Directors
Hessmer Volunteer Fire Department, Inc.
Page 3

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the component unit 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.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. I believe the reportable conditions described above are a material weaknesses.

A separate management letter has not been issued.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Kenneth J. Rachal

Hessmer, Louisiana
July 03, 1996



Kenneth J. Rachal

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND
REGULATIONS BASED ON AN AUDIT OF COMPONENT UNIT
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO

Board of Directors
Hessmer Volunteer Fire Department, Inc.
Hessmer, Louisiana

I have audited the component unit financial statements of the Hessmer Volunteer Fire Department, Inc., Hessmer, Louisiana, for the year ended December 31, 1995, and have issued my report thereon dated July 03, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Hessmer Volunteer Fire Department, Inc., Hessmer, Louisiana, is the responsibility of Hessmer Volunteer Fire Department, Inc., Hessmer, Louisiana, management. As part of obtaining reasonable assurance about whether the component unit financial statements are free of material misstatement, I performed tests of Hessmer Volunteer Fire Department, Inc.'s compliance with certain provisions of laws, regulations, and contracts. However, my objective was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests indicate that, with respect to the items tested, Hessmer Volunteer Fire Department, Inc., Hessmer, Louisiana, complied, in all material respects, with the provisions referred to in the preceding paragraph, except as noted below.

Noncompliance with audit frequency requirement

Finding:

Per LSA-R.S. 24:513 the annual audit is to be completed within 6 months of the end of the fiscal year. The audit was completed after the six month period.

Recommendation:

The Corporation needs to ensure the audit will be complete within the six month period.

Response:

The Fire Department changed individuals responsible for the bank accounts. Each person had half the year of records. It took a while to get both sets of information from these individuals. All records are being maintained by one individual now and should make information gathering easier and quicker in order that the audit can be completed on a timely basis.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Kenneth J. Rachal

Hessmer, Louisiana
July 03, 1996

COMPONENT UNIT FINANCIAL STATEMENTS

HESSMER VOLUNTEER FIRE DEPARTMENT, INC.
 AVOYELLES PARISH POLICE JURY
 HESSMER, LOUISIANA

ALL FUND TYPES AND ACCOUNT GROUPS
 BALANCE SHEET
 December 31, 1995

	<u>Governmental Fund Type</u>
	<u>Special Revenue Fund</u>
ASSETS AND OTHER DEBITS	
Cash	
Demand Deposits	\$ 5,924
Accounts Receivable	16,733
Fixed Assets	-
Amount to be Provided For Debt Retirement	-
Total Assets and Other Debits	\$ 22,657 =====
 LIABILITIES AND OTHER CREDITS AND FUND EQUITY	
LIABILITIES	
Accounts Payable	\$ -
Notes Payable	-
Total Liabilities	-
 FUND EQUITY	
Investment in General Fixed Assets	-
Fund Balance, Unreserved	22,657
Total Fund Balance	22,657
Total Fund Equity	22,657
TOTAL LIABILITIES AND OTHER CREDITS AND FUND EQUITY	\$ 22,657 =====

The accompanying notes are an integral part of this statement.

<u>Account Groups</u>		<u>Totals</u>
<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>Memorandum Only</u>
\$ -	\$ -	\$ 5,924
-	-	16,733
137,075	-	137,075
<u>-</u>	<u>21,305</u>	<u>21,305</u>
\$ 137,075	\$ 21,305	\$ 181,037
=====	=====	=====
\$ -	\$ -	\$ -
-	21,305	21,305
<u>-</u>	<u>21,305</u>	<u>21,305</u>
<u>137,075</u>	<u>-</u>	<u>137,075</u>
<u>-</u>	<u>-</u>	<u>22,657</u>
<u>-</u>	<u>-</u>	<u>22,657</u>
<u>137,075</u>	<u>-</u>	<u>159,732</u>
\$ 137,075	\$ 21,305	\$ 181,037
=====	=====	=====

HESSMER VOLUNTEER FIRE DEPARTMENT, INC.
 AVOYELLES PARISH POLICE JURY
 HESSMER, LOUISIANA

GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 For the Year Ended December 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 21,000	\$ 21,521	\$ 521
Intergovernmental	3,000	3,187	187
Total Revenues	<u>24,000</u>	<u>24,708</u>	<u>708</u>
EXPENDITURES			
Current Operating			
Public Safety			
Supplies	2,000	2,408	(408)
Repairs	2,000	1,592	408
Fuel expense	300	248	52
Training	300	1,132	(832)
Miscellaneous	100	5	95
Meeting expense	700	315	385
Service charges	50	13	37
Audit	300	-	300
Capital Outlay	1,050	1,374	(324)
Debt Service	<u>16,400</u>	<u>16,377</u>	<u>23</u>
Total Operating Expenses	<u>23,200</u>	<u>23,464</u>	<u>264</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>800</u>	<u>1,244</u>	<u>444</u>
OTHER FINANCING SOURCES (USES)			
Fund Raisers	-	1,417	1,417
Miscellaneous Income	<u>-</u>	<u>1,125</u>	<u>1,125</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>2,542</u>	<u>2,542</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	800	3,786	2,986
FUND BALANCE, Beginning	<u>18,871</u>	<u>18,871</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 19,871</u>	<u>\$ 22,657</u>	<u>\$ 2,986</u>

The accompanying notes are an integral part of this statement.

HESSMER VOLUNTEER FIRE DEPARTMENT, INC.
AVOYELLES PARISH POLICE JURY
HESSMER, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 1995

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Hessmer Volunteer Fire Department, Inc., was incorporated on May 11, 1992 as a nonprofit corporation as defined in Louisiana Revised Statutes of R. S. 1950 Title 12, Chapter 2, as amended. The corporation operates under a Board of Directors consisting of a president, vice-president, and secretary-treasurer and are elected on an annual basis. The members of the Hessmer Volunteer Fire Department vote on all matters brought before the Board. The following is a summary of certain significant accounting policies.

Financial Reporting Entity. This report includes all funds which are controlled by or dependent on the Corporation executive and legislative branches (the President and Board of Directors). Control by or dependence on the Corporation was determined; on the basis of budget adoption, authority to issue debt, election or appointment of governing body, and other general oversight responsibility. Based on these criteria, the corporation has no component units. However, the Corporation is a component unit of the Avoyelles Parish Police Jury. The Jury has the ultimate authority to approve the issuance of debt, they may appoint some of the governing body and have general oversight responsibility over the Corporation. Some funding is provided by the Village of Hessmer, such as fuel, utilities, insurance, and some supplies, however, the Avoyelles Parish Police Jury provides approximately 75% of the funding.

Fund accounting. The accounts of the Corporation are organized on the basis of funds, which are considered a separate accounting entity. The operations of the Corporation are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Corporation's fund is grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

Governmental Fund Type

Special Revenue Fund. A Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

HESSMER VOLUNTEER FIRE DEPARTMENT, INC.
AVOYELLES PARISH POLICE JURY
HESSMER, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 1995

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comparative Data. Comparative data for the prior year have not been presented in the accompanying financial statements.

Fixed Assets and Depreciation. General Fixed Account Group-Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental fund types. No depreciation has been provided on such assets.

Property Taxes. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before December 31. All unpaid taxes become delinquent January 2 of the following year. The taxes are assessed by the Avoyelles Parish Assessor's Office and collected by the Avoyelles Parish Sheriff's Office. The taxes are then remitted to the Avoyelles Parish Police Jury on behalf of Fire Protection District No. 2. The Corporation is one of 14 members in this District. After deducting a fee of \$20,000 to defray the expenses of the Board of Commissioners of the Fire Protection District, each member is guaranteed a base amount of \$10,000. Any remaining funds are distributed to the members on a basis of population served.

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits. At year end, the carrying amount of the corporation's deposits was \$5,924 and the bank balance was \$5,924. Of the bank balance, \$5,924 was covered by federal depository insurance. Of this amount, \$4,084 was tax monies which is restricted to be expended on fire equipment and supplies.

Certificates of Deposit. The Corporation had no Certificates of Deposit at December 31, 1995.

NOTE 3. ACCOUNTS RECEIVABLE

The billed receivable balance at December 31, 1995 of \$16,733 consisted of property taxes due from the Fire Protection District No. 2.

HESSMER VOLUNTEER FIRE DEPARTMENT, INC.
 AVOYELLES PARISH POLICE JURY
 HESSMER, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 December 31, 1995

NOTE 4. PROPERTY, PLANT AND EQUIPMENT

A summary of changes in Property, Plant and Equipment follows:

	Balance 12/31/94	Additions	Deletions	Balance 12/31/95
Land and buildings	\$ 52,000	\$ -	\$ -	\$ 52,000
Equipment	38,361	1,374	-	39,735
Trucks	45,340	-	-	45,340
	\$ 135,701	\$ 1,374	\$ -	\$ 137,075
	=====	=====	=====	=====

NOTE 5. CHANGES IN LONG-TERM DEBT

The following is a summary of note transactions of the Corporation for the year ended December 31, 1995:

Notes Payable at 12/31/94	\$ 34,789
Notes issued during period	-
Notes retired during period	(13,484)
Notes Payable at 12/31/95	\$ 21,305
	=====

Notes payable (current and long-term portions) are financed with the Cottonport Bank, Cottonport, Louisiana.

Notes payable at December 31, 1995 consist of the following individual liabilities:

\$40,105 note dated October 26, 1992, bearing interest at 8.843% per annum. Final maturity date October 26, 1997. Annual payments of \$10,177.	\$ 15,122
\$15,067 note dated July 08, 1993, bearing interest at 8.843% per annum. Final maturity date July 08, 1996. Annual payments of \$6,249.	6,183
Total Notes Payable at December 31, 1995	\$ 21,305

HESSMER VOLUNTEER FIRE DEPARTMENT, INC.
 AVOYELLES PARISH POLICE JURY
 HESSMER, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 December 31, 1995

NOTE 5. CHANGES IN LONG-TERM DEBT (CONTINUED)

The combined notes are secured by a first mortgage on real estate consisting of the fire station building and the land on which it is located.

The annual requirements to amortize all notes outstanding at December 31, 1995 are as follows:

<u>Period Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1996	\$ 15,023	\$ 1,354	\$ 16,377
1997	<u>6,282</u>	<u>556</u>	<u>6,838</u>
	\$ 21,305	\$ 1,910	\$ 23,215
	=====	=====	=====

NOTE 6. RETIREMENT COMMITMENTS

Individuals who serve the Corporation are volunteers, therefore, there is no liability for retirement benefits.

NOTE 7. COMMITMENTS AND CONTINGENCIES

As of December 31, 1995 there were no lawsuits against the corporation.