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RAYNE VOLUNTEER FIRE DEPARTMENT
RAYNE, 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

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June 25, 1996

Board of Directors
Rayne Volunteer Fire Department
Rayne, Louisiana 70578

Dear Directors,

During our regular examination of the financial statements of the Rayne Volunteer Fire Department for the period ended December 31, 1995, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants.

As a result of this examination, we noted the following instance of immaterial noncompliance:

The Rayne Volunteer Fire Department purchased fire equipment from a fireman with that department. This is a violation of Section 1113A of the Code of Ethics law for public Officials and Public Employees, based on an opinion rendered by the Commission on Ethics for Public Employees. The amount of the purchases was not material to the financial statements taken as a whole. It is recommended that no transactions of this nature occur between the fireman and the fire department.

If you have any questions, regarding these suggestions, please do not hesitate to contact me and I will be happy to go over this in detail. Again, thank you for the opportunity to be of service to the association.

Sincerely,

Robert R. Hicks CPA, APC

Robert R. Hicks
Certified Public Accountant

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Chief Wilfred Kibodeaux
Chief, Rayne Volunteer Fire Department
Rayne, Louisiana

We have audited the accompanying financial statements of the Rayne Volunteer Fire Department, as of and for the year ended December 31, 1995 as listed in the table of contents. These financial statements are the responsibility of the Rayne Volunteer Fire Department's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our 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 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 our audit provides a reasonable basis for our opinion.

Our examination was made in accordance with generally accepted auditing standards, and accordingly, included such tests of the accounting records and other such auditing procedures as we considered necessary in the circumstances, except that the costs of the equipment portion of the fixed assets acquired prior to January 1, 1990 were not verified. Since individual property records were not maintained prior to January 1, 1990, it was not practical for us to determine the cost of such assets for the prior years.

In our opinion, with the exception stated above, the general purpose financial statements of the Rayne Volunteer Fire Department present fairly, in all material respects, the financial position of the Rayne Volunteer Fire Department, at December 31, 1995 and the results of its operations and cash flow for the year then ended in conformity with generally accepted accounting principles applied on a consistent basis.

Robert R. Hicks CPA, APC

Robert R. Hicks
Certified Public Accountant

Rayne, Louisiana
June 25, 1996

RAYNE VOLUNTEER FIRE DEPARTMENT

RAYNE, LOUISIANA

COMPARATIVE BALANCE SHEETS
December 31, 1995 and 1994

ASSETS	<u>1995</u>	<u>1994</u>
Current Assets:		
Cash	\$ 74,877	\$ 95,309
Investments	85,851	52,263
Accrued Interest	750	-0-
Prepaid Expense	188	-0-
Total current assets	<u>\$ 161,666</u>	<u>\$ 147,572</u>
Fixed Assets: net of accumulated Depreciation		
Land	\$ 10,000	\$ 10,000
Buildings and Improvements	37,490	39,015
Trucks and Equipment	202,474	223,199
Total fixed assets	<u>\$ 249,964</u>	<u>\$ 272,214</u>
 Total assets	 <u>\$ 411,630</u>	 <u>\$ 419,786</u>
 LIABILITIES AND FUND BALANCE		
Current Liabilities		
Accounts Payable	\$ 5,221	\$ -0-
 Fund Balance		
Fund Balance--unreserved, undesignated	\$ 406,409	\$ 419,786
Total Liabilities and fund balance	<u>\$ 411,630</u>	<u>\$ 419,786</u>

See notes to financial statements

FINANCIAL STATEMENTS

RAYNE VOLUNTEER FIRE DEPARTMENT
RAYNE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Revenues:		
Local Government Donations	\$ -0-	\$ 20,000
Fundraising Income	10,460	15,189
Interest Income	5,773	2,230
Insurance Reimbursement	20,592	18,502
Miscellaneous Income	7,102	7,393
Total Revenues	<u>\$ 43,927</u>	<u>\$ 63,314</u>
 Expenditures:		
Contract service for fire extinguishers	\$ -0-	\$ 121
Building maintenance	2,875	2,948
Fundraiser food purchases	-0-	2,809
Fundraiser beverage purchases	1,512	1,792
Fundraiser entertainment	1,375	1,075
Professional fees	1,500	2,100
Office expense	683	1,409
Insurance	4,875	11,579
Uniform expense	1,135	300
Supplies	6,803	2,482
Meeting expense	3,424	-0-
Depreciation	28,134	32,031
Training expense	2,975	-0-
Miscellaneous	2,013	1,688
Total expenditures	<u>\$ 57,304</u>	<u>\$ 60,334</u>
 Excess of revenues over expenditures	 \$(13,377)	 \$ 2,980
 Fund balance, beginning of year	 <u>419,786</u>	 <u>416,806</u>
 Fund balance, end of year	 <u>\$ 406,409</u>	 <u>\$ 419,786</u>

See Notes to Financial Statements

RAYNE VOLUNTEER FIRE DEPARTMENT
RAYNE, LOUISIANA

STATEMENT OF CASH FLOWS
Year Ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	\$(13,377)	\$ 2,980
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	28,134	32,031
(Increase) in accruals	(750)	-0-
(Increase) in prepaid expenses	(188)	-0-
Increase in accounts payable	5,221	-0-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 19,040</u>	<u>\$ 35,011</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Equipment	<u>\$(5,884)</u>	<u>\$(-0-)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$(5,884)</u>	<u>\$(-0-)</u>
NET INCREASE (DECREASE) IN CASH	\$ 13,156	\$ 35,011
CASH AT BEGINNING OF YEAR	<u>147,572</u>	<u>112,561</u>
CASH AT END OF YEAR	<u><u>\$ 160,728</u></u>	<u><u>\$ 147,572</u></u>

See Notes to Financial Statements

RAYNE VOLUNTEER FIRE DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1995

(1) Summary of Significant Accounting Policies

(a) Nature of Business--

The Rayne Volunteer Fire Department was formed as a nonprofit association under the laws of the State of Louisiana, to provide fire protection services for the City of Rayne and certain rural communities. This corporation was formed January 22, 1904 under the provisions of R.S. 1950, Title 12 Chapter 2, as amended.

(b) Basis of Accounting--

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the account and reported in the financial statements. The accounting policies of the Rayne Volunteer Fire Department conform to generally accepted accounting principles. The Fire Department's policy is to prepare its financial statements using the modified accrual method of accounting. The revenues are recognized when they become measurable and available and expenses are recognized when the related liability is incurred.

(c) Property and Depreciation--

All property, plant, and equipment are recorded at cost. Depreciation is provided on assets on a straight-line method over the estimated useful life of the asset. It is estimated that the trucks have a useful life of twenty years. Life of any other equipment is estimated to be ten years.

(d) Estimates--

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

(2) Cash and Investments

Cash consists of amounts in demand deposit accounts with financial institutions and is federally insured. Investments at December 31, 1995 consisted of time certificates of deposits held at federally insured financial institutions.

RAYNE VOLUNTEER FIRE DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1995

(3) Property, Plant, and Equipment

Property, plant, and equipment are summarized by major classifications as follows:

	December 31, <u>1994</u>	<u>Additions</u>	<u>Reductions</u>	December 31, <u>1995</u>
Land	\$ 10,000	\$ -0-	\$ -0-	\$ 10,000
Buildings	61,000	-0-	-0-	61,000
Improvements				
-Buildings	5,400	-0-	-0-	5,400
Trucks	274,458	-0-	-0-	274,458
Equipment	151,506	5,884	-0-	157,390
Totals	<u>\$ 502,364</u>	<u>\$ 5,884</u>	<u>\$ -0-</u>	<u>\$ 508,248</u>

Accumulated depreciation and depreciation expense of the major classes of plant and equipment as of December 31, 1995 are as follows:

	Accumulated <u>1995</u>	Expense <u>1995</u>
Buildings	\$ 23,510	\$ 1,525
Improvements		
-Building	5,400	-0-
Trucks	129,314	11,565
Equipment	100,060	15,044
Totals	<u>\$ 258,284</u>	<u>\$ 28,134</u>

(4) Accounts Payable

As of December 31, 1995 the accounts payable consisted of the following:

	December 31, <u>1995</u>
Insurance Expense	\$ 4,875
Miscellaneous	100
Meeting Expense	3
Office Expense	243
	<u>\$ 5,221</u>

(5) Notes Payable

At the end of 1995, there were no notes payable recorded.

(6) Related Party Transactions

The Rayne Volunteer Fire Department purchased fire equipment from Bonaventure Co., Inc., totaling \$5,841. A member of the Rayne Volunteer Fire Department is a stockholder of this company.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE OR BASIC
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Chief Wilfred Kibodeaux
and the Board of Directors
Rayne Volunteer Fire Department
Rayne, Louisiana

We have audited the financial statements of the Rayne Volunteer Fire Department, Rayne, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 25, 1996.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Rayne Volunteer Fire Department, Rayne, Louisiana, is the responsibility of the Rayne Volunteer Fire Department's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of the Rayne Volunteer Fire Department's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. 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.

We noted certain immaterial instances of noncompliance that we have reported to the management of the Rayne Volunteer Fire Department in a separate letter dated June 25, 1996.

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

Robert R. Hicks CPA, APC

Robert R. Hicks
Certified Public Accountant

Rayne, Louisiana
June 25, 1996

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE OR
BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

Chief Wilfred Kibodeaux
and the Board of Directors
Rayne Volunteer Fire Department
Rayne, Louisiana

We have audited the financial statements of the Rayne Volunteer Fire Department, Rayne, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 25, 1996.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Rayne Volunteer Fire Department 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.

In planning and performing our audit of the financial statements of the Rayne Volunteer Fire Department, Rayne, Louisiana, for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.