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MINNESOTA VOLUNTEER FIRE DEPARTMENT

FINANCIAL STATEMENT

MINNESOTA FIRE INSURANCE CO. 3 CLASSIFIED RESTRICTED FIRM

As of and for the Two Years Ended December 31, 1966

Under provisions of state law, this report is a public document. A copy of this report has been furnished to the auditor, or trustees, and other appropriate public officials. This report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the clerk of court.

AUG 27 1968

By: _____
Date: _____

FEDERAL VOLUNTEER FIRE DEPARTMENT

FINANCIAL STATEMENTS

Rural Fire District No. 2 Current Restricted Fund

As of and for the Two Years Ended December 31, 1998

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Statements Performed in Accordance with
Government Accounting Standards

Independent Auditor's Report on Compliance
Based on an Audit of Financial Statements
Performed in Accordance with Government
Accounting Standards

Durnin & James

REGISTERED PUBLIC ACCOUNTANTS

John M. Durnin, CPA
Member, AICPA
Member, Louisiana Institute of CPAs

Charles H. Maloney, CPA
Member, AICPA

Mo. No.
Member No. 11111
Certificate No. 11111

Mo. No.
Member No. 11111
Certificate No. 11111

July 2, 1997

INDEPENDENT AUDITOR'S REPORT

To the officers of
Hannu Volunteer Fire Department,
Hannu, Louisiana

We have audited the accompanying statement of financial position of the Hannu Fire District No. 2 Chartered Rostered Unit of the Hannu Volunteer Fire Department, a non-profit organization, as of December 31, 1996, and the related statements of activities and cash flows for the two years then ended. These financial statements are the responsibility of the Fire Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with generally accepted auditing standards and Department Auditing Standards issued by the Department Council 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 that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hannu Fire District No. 2 Chartered Rostered Unit of the Hannu Volunteer Fire Department as of December 31, 1996, and the results of its operations and cash flows for the two years then ended in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, in 1996 Hannu Volunteer Fire Department changed its method of accounting for contributions and its method of financial reporting and financial statement presentation in accordance with Statements of Financial Accounting Standards No. 118 and 117.

Respectfully submitted,

Durnin & James
DURNIN & JAMES, P.A.'S

FINANCIAL STATEMENTS

MUNICIPAL VOLUNTEER FIRE DEPARTMENT
 STATEMENT OF FINANCIAL POSITION -
 EARL FIRE DISTRICT NO. 2 CURRENT RESTRICTED FUND

December 31, 1990

ASSETS		\$ 223.00
Current Assets:		
Cash		\$ 26.00
Receivables (Net of allowances for uncollectibles):		
Fire Protection DISTRICT NO. 2 - contract fees		\$ 23.00
Total Current Assets		\$ 49.00
TOTAL ASSETS		\$ 223.00
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable		\$ 0.00
Total Current Liabilities		\$ 0.00
TOTAL LIABILITIES		\$ 0.00
NET ASSETS		
Permanently restricted		\$ 223.00
TOTAL NET ASSETS		\$ 223.00
TOTAL LIABILITIES AND NET ASSETS		\$ 223.00

The accompanying notes are an integral part of this statement.

ROSSON VOLUNTARY FIRE DEPARTMENT

STATEMENT OF ACTIVITIES -
 RURAL FIRE DISTRICT NO. 2
 CURRENT RECEIPTS FROM

For the Year Ended December 31, 1986

REPORT AND EXHIBITS:	PERMANENTLY BUDGETED	
	1986	1985
REPORT AND EXHIBITS:		
Rural Fire District No. 2 Contract Fees:		
Ad valorem taxes	\$ 58,477	\$ 58,784
State revenue sharing	38,000	31,577
Fire insurance premium rebate	5,371	5,371
Interest income	888	3,281
Miscellaneous	882	381
TOTAL SUPPORT AND REVENUE	\$ 103,618	\$ 99,394
EXPENSES:		
Program Services - Fire Protection:		
Insurance	\$ 3,874	\$ 410
Repairs and maintenance	22,883	14,874
Fire station supplies	1,788	810
Fuel	2,882	1,807
Utilities	2,714	2,400
Telephone	2,354	2,400
Other	8,818	5,714
Supporting Services:		
Association Fees		2,810
TOTAL EXPENSES	\$ 42,909	\$ 39,815
CHANGE IN NET ASSETS	\$ 60,709	\$ 59,579
NET ASSETS AT BEGINNING OF YEAR	50,888	52,714
Equipment purchased	120,121	116,413
NET ASSETS AT END OF YEAR	\$ 171,017	\$ 168,297

The accompanying notes are an integral part of this statement.

WINDEN VALLEY FIRE DEPARTMENT

STATEMENT OF CASH FLOW - WINDEN FIRE DISTRICT NO. 2
CURRENT RESTRICTED FUND

For the Year Ended December 31, 1990

	<u>1990</u>	<u>1989</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 33,191	\$ 28,000
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
(Increase) Decrease in Accounts Receivable	190,831	2,041
Increase (Decrease) in Accounts Payable	1,121,231	(4,771)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 325,253	\$ 25,270
CASH FLOW FROM INVESTING ACTIVITIES:		
Equipment purchased	(118,147)	(118,477)
NET CASH FLOW FROM INVESTING ACTIVITIES	(118,147)	(118,477)
NET INCREASE (DECREASE) IN CASH	\$ 207,106	\$ 6,793
CASH AT BEGINNING OF YEAR	125,100	118,307
CASH AT END OF YEAR	\$ 332,206	\$ 125,100

The accompanying notes are an integral part of this statement.

FINANCIAL STATEMENTS FORM DEPARTMENT

BOOKS TO THE FINANCIAL STATEMENTS

As of and for the Ten Years Ended December 31, 1999

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SENECA VOLUNTEER FIRE DEPARTMENT

STATE OF THE FINANCIAL STATEMENTS

AS OF AND FOR THE TWO YEARS ENDED DECEMBER 31, 1990

INTRODUCTION

The Seneca Volunteer Fire Department (hereinafter referred to as the "fire department") is a Louisiana nonprofit organization. Its purpose is to operate exclusively as a volunteer fire-fighting organization to provide fire protection and emergency ambulance services in the community of Seneca and surrounding rural areas. The Fire Department is governed by a board of directors and officers consisting of a chief, a first assistant, chief, a second chief, a captain, a second captain and a secretary/treasurer, each of which is elected by the membership. At the present time the fire department consists of thirty-two active volunteer firemen. The Fire Department maintains an office and equipment in a fire station in the Seneca community.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The financial statements have been prepared on an accrual basis and in conformity with standards promulgated by the American Institute of Certified Public Accountants in its audit guide *Audit of Certain Nonprofit Organizations* and its Statement of Position 78-15.

B. FUND ACCOUNTING

The accounts of the Fire department are maintained in accordance with the principles of fund accounting whereby resources are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund. Materially restricted funds may only be utilized in accordance with the purposes established by the donor of the funds and are in contrast with unrestricted funds over which the board retains full control to use in achieving any of its purposes.

The accompanying financial statements present only the financial resources accounted for in the following fund:

The Rural Fire District No. 2 Current Restricted Fund represents interest and expenses related to the operation of fire protection and emergency ambulance services in the unincorporated rural areas surrounding the community of Seneca under the terms of an agreement between the Fire Department and the Rural Fire Protection District No. 2 of Tangipahoa Parish.

The accompanying financial statements do not include the assets, liabilities, and fund balance and the support revenues, expenses, and capital additions and such items reported in funds other than the Rural Fire District No. 2 Current Restricted Fund. Accordingly, the financial statements being prepared are not intended to present the financial position of the Seneca Volunteer Fire Department as of December 31, 1990, or its results of operations or cash flows for the year then ended in conformity with generally accepted

BURKE, VOLUNTEER FIRE DEPARTMENT

NOTE TO THE FINANCIAL STATEMENTS FOOTNOTES

accounting principles.

The Rural Fire District No. 2 Bureau Fund is considered restricted because under the terms of the contract with the Rural Fire Protection District No. 2 of Tangipahoa Parish these funds shall be expended solely for the purpose of operating, maintaining and/or purchasing of equipment and supplies... and salaries if approved by Fire District No. 2."

C. SUPPORT AND REVENUE

Support consists primarily of contract payments received from Rural Fire Protection District No. 2 of Tangipahoa Parish on the form of ad valorem taxes, state revenue sharing funds and fire insurance rebate funds. The Fire Department receives a percentage of the LOCAL funds available to Rural Fire Protection District No. 2 based on 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 distributed by Rural Fire Protection District No. 2 on a quarterly basis. State revenue sharing and fire insurance rebate funds are disbursed to participating fire departments by Rural Fire Protection 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 revenues are recognized as income when received.

D. CASH

Cash includes interest bearing demand deposits.

E. INCOME TAXES

The Organization is non-profit and exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision is made for income taxes.

F. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

G. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual

PARISH VOLUNTEER FIRE DEPARTMENT

FOOTNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

results could differ from these estimates.

6. STATEMENT OF CASH FLOWS

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

7. FINANCIAL STATEMENT RECLASSIFICATION

In 1998 the Organization elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Non-for-Profit Organizations". Under SFAS No. 117, the Organization is required to report 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. In addition, the Organization is required to present a statement of cash flows. As prescribed by this new statement, the organization has discontinued the use of 1998 accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on the change in net assets for 1998 or 1999.

8. CONTRIBUTIONS

The Organization also elected to adopt SFAS No. 116, "Accounting for Contributions Received and Contributions Made," in 1998. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the language or nature of any donor restrictions. The adoption of SFAS No. 116 had no effect on net assets or the change in net assets as of or for the two years ended December 31, 1998.

9. CASH

Cash at December 31, 1998, consisted of the following:

	1998	1997
Interest Bearing Demand Deposits	\$26,202	\$42,036
Total	\$26,202	\$42,036

10. RECEIVABLES

Receivables include amounts due from Parol Fire Protection District No. 2 as of December 31, 1998, and are summarized as follows:

Due from Parol Fire Protection District No. 2:

	1998	1997
Ed Valiron T-shirt	\$26,002	\$26,002

No allowance for uncollectible amounts is required as of December 31, 1998.

LEWIS VOLUNTEER FIRE DEPARTMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. CONTRACT WITH RURAL FIRE PROTECTION DISTRICT NO. 2

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

The Fire Department entered into an agreement with Rural Fire Protection District No. 2 to provide fire protection and emergency response services to the unincorporated rural areas in the community of Houma. 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 in the accompanying financial statements.

5. DONATED SERVICES AND FACILITIES

All of the Fire Department's program services are provided by volunteers. No amounts have been included in the financial statements for donated services since no objective basis is available to measure the value of such services and facilities.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of the Organization's financial instruments, none of which are held for trading purposes, are as follows:

	CASH	FUND
	<u>AMOUNT</u>	<u>AMOUNT</u>
Financial Assets:		
Cash	426,822	426,822

OTHER SUBJECTS RECORDED BY ENVIRONMENTAL ACOUSTIC STATIONS

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

Durnin & James

MEMPHIS, TENNESSEE

John N. Durnin, CPA*
James E. James, CPA*
*A Professional Corporation

MEMPHIS, TENNESSEE
MEMPHIS, TENNESSEE

Charles E. Helms, CPA
Ingram C. Gentry, CPA

MEMPHIS, TENNESSEE
MEMPHIS, TENNESSEE

July 2, 1987

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH ACCOUNTING AUDITING STANDARDS**

To The Officers of
Humber Volunteer Fire Department
Humber, Louisiana

We have audited the financial statements of the Humber Volunteer Fire Department, a non-profit organization, for the two years ended December 31, 1986, and have issued our report thereon dated July 2, 1987.

We have conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 Humber Volunteer Fire Department is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, policies 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 recorded 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, projections 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 Humber Volunteer Fire Department, for the two years ended December 31, 1986, we obtained an understanding of the internal control structure. With respect to the internal control structure, we did not obtain 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 audit 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.

Mount Voluntary Fire Department

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

ADMINISTRATIVE MATTERS:

PAYMENTS TO "CASH":

Condition: During our audit we noted several checks which were made payable to "cash".

Recommendation: We recommend that all checks be made payable to a specific party other than "cash".

Management's Response: In a letter dated August 14, 1997, the Fire Department indicated that it intends to prohibit payments to "cash" in the future.

ORGANIZATIONAL MATTERS:

Condition: Although the organization has established itself as a voluntary fire department, it has not incorporated or established a formal set of by-laws. Also, the organization has not officially obtained non-profit determination from the Internal Revenue Service. This condition was noted in the prior year audit report.

Recommendation: We recommend that the organization consider incorporating, adopting a formal set of by laws, and obtaining a letter of determination from the Internal Revenue Service.

Management's Response: In a letter dated August 14, 1997, the Fire Department indicated that incorporating the organization is currently under consideration. Upon completion of the Department intends to adopt a formal set of by-laws, and to obtain a letter of determination from the Internal Revenue Service.

LACK OF ADEQUATE ACCOUNTING RECORDS:

Condition: During our audit we noted that the organization fails to keep cash receipt and disbursement journals. As a result, the organization was unable to record, summarize, and classify accounting transactions accurately. This condition was noted in the prior year audit report.

Recommendation: We recommend that the organization maintain formal cash receipt and disbursement journals to record all transactions. Cash journals should be reconciled to the bank statements on a monthly basis. Financial statements can then be prepared from the cash receipts and cash disbursements journals on a quarterly basis.

Management's Response: In a letter dated August 14, 1997, the Fire Department indicated that it intends to maintain a formal cash receipts and disbursements journal to record all transactions. This journal will be reconciled to the bank statements on a monthly basis and will then be used to prepare quarterly financial statements.

LACK OF ASSOCIATE SIGNATURES ON CHECKS.

Condition: During our audit we noted that only one authorized signature is required on checks. In addition, we noted the secretary/treasurer has authority to approve bills, sign checks and is also responsible for maintaining the official accounting records, reconciling the bank statement and preparing the quarterly financial report. Although the overall aim of the organization limits the extent of separation of duties, we believe certain steps could be taken to separate the duties of authorized check signer from reconciling and recording accounting records. This condition was noted in the prior year audit report.

Recommendation: Due to limited number of volunteers, we recommend that the organization require two pre-authorized signatures on all cash disbursements to include the secretary/treasurer and fire chief. We further recommend the fire chief be required to approve all invoices for payment and such approval be documented by signing the face of each invoice.

Management's Response: In a letter dated August 14, 1997, the Fire Department indicated that the Fire Department intends to require two pre-authorized signatures on all cash disbursements to include the secretary/treasurer and fire chief. Also, it will require the fire chief to approve all invoices for payment by signing the face of each invoice.

FEDERAL INCOME TAX RETURNS.

Condition: During our audit we noted the Fire Department did not file a Federal Income Tax return for 1994 or 1995. Federal law requires non-profit organizations to file a tax return when gross receipts exceed \$10,000, annually. This condition was noted in the prior year audit report.

Recommendation: The Fire Department should review the tax return filing requirements for non-profit organizations and file an income tax return when required.

Management's Response: In a letter dated August 26, 1997, the Fire Department indicated that it intends to review the tax return filing requirements for non-profit organizations and file an income tax return when required.

A material weakness is a reportable condition in which the design or operation of one or more of the 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 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.

The consideration of the internal control structure would not necessarily eliminate all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the 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 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. We consider the matters involving inadequate segregation of duties, and the failure to keep cash receipts and disbursements journals to be material weaknesses as defined above.

This report is intended for the information of the officers, Shreve Fire Department District No. 2 of Tangipahoa Parish and the Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

Respectfully submitted,

Dustin James
DUSTIN JAMES, CAPTAIN

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT ACCOUNTING STANDARDS

Durnin & James

—CERTIFIED PUBLIC ACCOUNTANTS—

John P. Durnin, CPA
Robert E. James, CPA
A Professional Corporation

St. Louis
Regional Office of
Certified Public Accountants

Charles D. Nelson, CPA
Raymond C. Cherry, CPA

St. Louis
North Office of
Certified Public Accountants

July 2, 1987

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT ACCOUNTING STANDARDS**

To the Officers of
Bossier Volunteers Fire Department
Bossier, Louisiana

We have audited the financial statements of Bossier Volunteers Fire Department (a non-profit organization) as of and for the two years ended December 31, 1986, and have issued our report thereon dated July 2, 1987.

We have 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 Bossier Volunteers Fire Department is the responsibility of Bossier Volunteers Fire Department's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Bossier Volunteers Fire Department's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance are failures to follow requirements, or violations of prohibitions, contained in laws, regulations, contracts, or grants, that could be so serious that the aggregation of deficiencies resulting from those failures or violations is material to the financial statements. The results of our tests of compliance disclosed the following material instances of noncompliance.

COMPLIANCE WITH STATE LAW

Audit Report Filing Requirement

The fire department did not comply with certain audit report filing requirements imposed by state law. Audit report filing requirements applicable to the fire department are specified in state law, Louisiana Revised Statutes RSB-R.S. 34:523(B)(1)(a). The pertinent parts of the law and the manner in which the fire department failed to comply is as follows:

Bossier Volunteer Fire Department

State law requires that audits be completed and transmitted to the Louisiana Legislative Auditor within six months of the close of the entity's fiscal year.

Finding: The Fire Department did not complete and transmit a copy of the audit report for the two years ended December 31, 1986, to the Louisiana Legislative Auditor by June 30, 1987. Improvements in control in this area to make sure the required audit is completed in a timely manner. This condition occurred because the Fire Department did not provide the records necessary to audit its financial statements for the two years ended December 31, 1986, until June 21, 1987. This did not allow the auditor sufficient time to perform all audit tests required and complete the audit by June 30, 1987. As a result, this audit report was not filed timely and places the Fire Department in non-compliance with state law.

Recommendation: We recommend the Fire Department retain the services of a certified public accountant to conduct any required audits prior to the end of the fiscal year to be examined. This would allow the auditor six months to complete the audit and deliver the report. Additionally, we recommend the Fire Department provide the necessary records as soon as possible after the end of the fiscal year.

Management's Response: In a letter dated August 14, 1987, the Fire Department indicated that it intends to retain the services of a certified public accountant to conduct any required audits prior to the end of the fiscal year to be examined.

We considered this material instance of non-compliance in forming our opinion on whether the 1986 and 1987 financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles, and this report does not affect our report dated July 7, 1987, on those financial statements.

The findings of our tests indicate that, with respect to the items listed, Bossier Volunteer Fire Department complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Bossier Volunteer Fire Department had not complied, in all material respects, with those provisions.

This report is intended for the information of the officers, Rural Fire Protection District No. 1 of Bossier Parish and the Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

Respectfully submitted,

Dwain James
Dwain A. James, CPA

Durnin & James

MEMBER PUBLIC ACCOUNTANTS

Bill M. Davis, CPA
David G. Lewis, CPA
"A" Professional Corporation

Charles D. Mathews, CPA
David C. Smiley, CPA

Bill M. Davis
David G. Lewis, CPA
Fiscal Policy, Inc. - 1997

Bill M. Davis
David G. Lewis, CPA
Fiscal Policy, Inc. - 1998

August 14, 1997

Members of the Board of Directors
Hannor Volunteer Fire Department
Hannor, Louisiana

We have audited the financial statements of the Hannor Volunteer Fire Department for the two years ended December 31, 1996, and have issued our report thereon dated July 3, 1997. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated December 19, 1996, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement. Because of the concepts of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of the Hannor Volunteer Fire Department. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Hannor Volunteer Fire Department's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application.

The significant accounting policies used by the Hauser Volunteer Fire Department are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 1996 and 1997, other than changing the method of accounting for subscriptions and the method of financial reporting and financial statement preparation in accordance with Statements of Financial Accounting Standards No. 116 and 117. We noted no transactions entered into by the Hauser Volunteer Fire Department during the two years that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments.

Management's estimate of the allowance for doubtful accounts is based on historical analysis of the collectibility of individual accounts receivable. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Hauser Volunteer Fire Department that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements.

We proposed several audit adjustments related to accounts receivable and accounts payable. The corrections were not considered material in relation to the financial statements of the Hauser Volunteer Fire Department taken as a whole. The Fire Department has agreed to the proposed audit adjustments and will record the adjustments in the accounting records of the Hauser Volunteer Fire Department for the two years ended December 31, 1996.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Haver Volunteer Fire Department.

August 14, 1957

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Consultations with Other Independent Accountants

To the best of our knowledge, management has not consulted with or obtained opinions from other independent accountants during the past two years that are subject to the requirements of Statement on Auditing Standards No. 28, "Opinion on the Application of Accounting Principles."

Difficulties Encountered in performing the audit

We encountered no difficulties in dealing with management in performing our audit.

This report is for the information of management, the Louisiana Legislative Auditor and the Census Bureau. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Fire Chief and Board of Directors of the Haver Volunteer Fire Department, is a matter of public record.

Respectfully submitted,



DARRIN A. JAMES, CPA's

lms/edm