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**RAYNE VOLUNTEER FIRE DEPARTMENT
RAYNE, LOUISIANA**

**FINANCIAL REPORT
December 31, 1997**

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 JUL 15 1998

**RAYNE VOLUNTEER FIRE DEPARTMENT
RAYNE, LOUISIANA**

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Brupbacher & Associates

A PROFESSIONAL ACCOUNTING CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

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Chief Lee Helbert

Bayou Volunteer Fire Department
Bayou, Louisiana

We have audited the accompanying financial statements of the Bayou Volunteer Fire Department, as of and for the year ended December 31, 1997 as listed in the table of contents. These financial statements are the responsibility of the Bayou 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. These 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.

The 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 purchase 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 Bayou Volunteer Fire Department present fairly, in all material respects, the financial position of the Bayou Volunteer Fire Department, at December 31, 1997 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.



Brupbacher & Associates
A Professional Accounting Corporation

Bayou, Louisiana
June 14, 1998

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FINANCIAL STATEMENTS

Exhibit A

**KAYNE VOLUNTEER FIRE DEPARTMENT
KAYNE, LOUISIANA**

**COMPARATIVE BALANCE SHEETS
December 31, 1997 and 1996**

<u>ASSETS</u>	<u>1997</u>	<u>1996</u>
Current Assets:		
Cash	\$ 40,834	\$ 62,836
Investments	75,800	91,430
Accrued Interest	111	111
Total Current Assets	<u>\$ 116,745</u>	<u>\$ 154,377</u>
Fixed Assets (net of accumulated depreciation)		
Land	\$ 10,000	\$ 10,000
Buildings and Improvements	37,804	39,334
Trucks and Equipment	207,795	208,368
Total Fixed Assets	<u>\$ 255,599</u>	<u>\$ 257,702</u>
Total Assets	<u>\$ 372,344</u>	<u>\$ 412,079</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Current Liabilities		
Accounts Payable	\$ 382	\$ 795
Fund Balance		
Fund Balance - unrestricted, undesignated	<u>\$ 371,964</u>	<u>\$ 408,611</u>
Total Liabilities and Fund Balance	<u>\$ 372,346</u>	<u>\$ 409,406</u>

The Accompanying Notes Are An Integral Part of
These Financial Statements

**RAYNE VOLUNTARY FIRE DEPARTMENT
RAYNE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year Ended December 31, 1991 and 1990**

Revenues:	<u>1991</u>	<u>1990</u>
Local Government Donations	\$ -	\$ 24,100
Fundraising Income	15,581	9,340
Interest Income	2,890	4,598
Insurance Reimbursement	20,527	20,568
Miscellaneous Income	3,820	4,084
Total Revenues	<u>\$ 43,728</u>	<u>\$ 62,710</u>
Expenditures:		
Building maintenance	\$ 3,000	\$ 3,000
Fundraising (food purchase)	2,100	1,100
Fundraising beverage purchase	1,044	1,450
Fundraising equipment	1,154	1,325
Professional fees	2,290	1,929
Office expense	867	1,420
Insurance	3,653	4,620
Uniform expense	9,922	2,722
Supplies/Repairs & Maintenance	11,273	1,640
Meeting expense	1,038	4,373
Depreciation	25,692	29,348
Training/Communication expense	3,829	3,870
Miscellaneous expense	2,433	2,948
Total expenditures	<u>\$ 81,585</u>	<u>\$ 83,795</u>
Excess of revenue over expenditures	\$ (37,857)	\$ 1,682
Fund balance, beginning of year	<u>405,821</u>	<u>405,499</u>
Fund balance, end of year	<u>\$ 367,964</u>	<u>\$ 407,181</u>

The Accompanying Notes Are An Integral Part Of
These Financial Statements

RAYNE VOLUNTEER FIRE DEPARTMENT
 RAYNE, LOUISIANA

Exhibit C

STATEMENT OF CASH FLOWS
 Year Ended December 31, 1997 and 1996

	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	\$ (37,637)	\$ 1,613
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	30,690	29,640
(Increase)/decrease in accounts	-	628
(Increase)/decrease in prepaid expenses	-	188
Increase/(decrease) in accounts payable	(118)	(4,823)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (7,065)</u>	<u>\$ 27,236</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Equipment	<u>\$ (31,368)</u>	<u>\$ (31,791)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(31,368)</u>	<u>(31,791)</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ (38,433)</u>	<u>\$ (4,555)</u>
CASH AT BEGINNING OF YEAR	<u>154,188</u>	<u>158,743</u>
CASH AT END OF YEAR	<u>\$ 115,755</u>	<u>\$ 154,188</u>

The Accompanying Notes Are An Integral Part Of
 These Financial Statements

RAYNE VOLUNTEER FIRE DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997**

(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 21, 1964 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 these estimates.

(2) Cash and Investments

Cash consists of amounts in demand deposit, and interest bearing demand deposit accounts with financial institutions and is federally insured. Investments at December 31, 1997 consisted of time certificates of deposits held at federally insured financial institutions.

At December 31, 1997, the carrying amount of the Department's deposits were \$112,560 and the book balance was \$115,475. The deposits were covered by federal depository insurance.

BAYNE VOLUNTEER FIRE DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997**

14) Property, Plant, and Equipment

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

	December 31, <u>1996</u>	Additions	Retirements	December 31, <u>1997</u>
Land	\$ 10,000	\$ -0-	\$ -0-	\$ 10,000
Buildings	40,000	0-	0-	40,000
Improvements				
- Buildings	8,100	0-	0-	8,100
Trucks	274,458	27,778	0-	302,236
Equipment	182,882	2,841	0-	185,723
Totals	\$ 595,240	\$ 30,619	\$ -0-	\$ 625,859

Accumulated depreciation and depreciation expense of the major classes of plant and equipment as of December 31, 1997 are as follows:

	Accumulated <u>1997</u>	Expense <u>1997</u>
Buildings	\$ 38,500	\$ 1,320
Improvements		
- Building	2,141	118
Trucks	154,588	13,867
Equipment	126,529	28,075
Totals	\$ 321,758	\$ 43,380

15) Accounts Payable

As of December 31, 1997 the accounts payable consisted of the following:

	December 31, <u>1997</u>
Supplies	\$ 35
Miscellaneous	158
Training	188
Total	\$ 381

BAYNE VOLUNTEER FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

(C) Notes Payable

As of December 31, 1997, there were no notes payable recorded.

(C) Subsequent Events

The Bayne Volunteer Fire Department during 1998 will accept bids for a new fire truck.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Chief Lee Hefert
Rayne Volunteer Fire Department
Rayne, Louisiana

We have audited the general purpose financial statements of Rayne Volunteer Fire Department, Rayne, Louisiana, as of and for the year ended December 31, 1997, and have issued our report thereon dated June 24, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Rayne Volunteer Fire Department, Rayne, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as item #2.1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Rayne Volunteer Department, Rayne, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Rayne Volunteer Fire Department, Rayne, Louisiana's ability to

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second, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items #1-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to the general purpose 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, all the reportable conditions described above, we consider items #1-3 to be material weaknesses.


Douglas B. Associates
A Professional Accounting Corporation

Rayne, Louisiana
June 24, 1998

**BAYNE VOLUNTEER FIRE DEPARTMENT
BAYNE, LOUISIANA**

Schedule 1

**Schedule of Corrective Action Taken on Prior Year Findings
Year Ended December 31, 1997**

Findings:

96-1 Inadequate controls over fundraising activities.

As reported in the December 31, 1996 audit, there is a lack of adequate controls over fundraising cash collections and the coordination of remaining prepositional items.

96-2 No property records for equipment purchased prior to 1996.

The equipment portion of the fixed assets acquired prior to 1996 were not maintained.

Corrective Action

96-1 For the fundraising activities pre-numbered tickets are used and cash collections are handled by assigned individuals.

96-2 The records of evidence of equipment costs was not obtained from the earlier years as the fire department has been in existence since the early 1920's. The records subsequent to January 1, 1995 to verify equipment costs have been obtained.

RAYNE VOLUNTEER FIRE DEPARTMENT
RAYNE, LOUISIANASchedule of Findings and Questioned Cost
Year Ended December 31, 1997

Part I Summary of Auditor's Results

Auditor's Report on Financial Statements

A qualified opinion has been issued on the Rayne Volunteer Fire Department's statements as of and for the year ended December 31, 1997.

Reportable Condition

The results of our tests disclosed the following material weakness, that is required to be reported under Government Auditing Standards:

97-1 *Inadequate controls over fundraising activities*

Items sold for fundraising activities are not formally controlled by reconciling costs of items sold.

Recommendation

For the fundraising activities we recommend that items bought be inventoried before the event. The first pre-numbered ticket to be sold is to be documented. At the conclusion of the event, an inventory of items not sold is to be done as well as documenting the last pre-numbered ticket sold. The documentation of these items will assist in reconciling the cost of items sold.

**KAYNE VOLUNTEER FIRE DEPARTMENT
KAYNE, LOUISIANA**

Schedule 3

**Corrective Action Plan
Year Ended December 31, 1987**

Response to Findings

93-1 Indisputable controls over fundraising activities

The Kayne Volunteer Fire Department will adopt a policy for proper documentation of fundraising activities and reconciliations of sums of money used.