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**HESSMER VOLUNTEER  
FIRE DEPARTMENT, INC.**

Financial Report

Year Ended December 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 9-29-04

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**KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC**  
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CERTIFIED PUBLIC ACCOUNTANTS

\* A Professional Accounting Corporation

ACCOUNTANTS' REPORT

To the Board of Directors  
Hessmer Volunteer Fire Department, Inc.  
Marksville, Louisiana

We have compiled the accompanying statement of financial position of Hessmer Volunteer Fire Department, Inc. (a nonprofit organization), as of December 31, 2003, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Marksville, Louisiana  
June 24, 2004

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**FINANCIAL STATEMENTS**

HESSMER VOLUNTEER FIRE DEPARTMENT, INC.

Hessmer, Louisiana

Statement of Financial Position

(Unaudited)

December 31, 2003

ASSETS

Current assets:

Cash and cash equivalents	\$ 21,059
Accounts receivable	<u>55,771</u>
Total current assets	<u>76,830</u>

Fixed assets:

Building and improvements	136,302
Equipment	345,123
Trucks	<u>205,507</u>
Total fixed assets	686,932
Less: accumulated depreciation	<u>(361,507)</u>
Net fixed assets	<u>325,425</u>
Total assets	<u>\$402,255</u>

LIABILITIES AND NET ASSETS

Current liabilities:

Current portion of notes payable	\$ 9,384
Accounts payable	186
Accrued interest payable	<u>2,640</u>
Total current liabilities	<u>12,210</u>

Long-Term liabilities:

Notes payable (net of current portion)	<u>83,503</u>
Total liabilities	<u>95,713</u>

Net Assets:

Unrestricted net assets -	
Operations	76,644
Fixed assets	<u>224,006</u>
Total unrestricted net assets	<u>306,542</u>
Total liabilities and net assets	<u>\$402,255</u>

See accountants' report.

**HESSMER VOLUNTEER FIRE DEPARTMENT, INC.**

Hessmer, Louisiana

**Statement of Activities**

**(Unaudited)**

**For the year Ended December 31, 2003**

**Support and revenue:**

**Support**

Contributions

\$ 1,200

Total support

1,200

**Revenue**

Ad valorem taxes

49,282

Miscellaneous

160

FEMA grant

50,670

Total revenue

100,112

Total support and revenue

101,312

**Expenses:**

Accounting

600

Depreciation

66,466

Training

89

Interest

6,021

Office

115

Repairs

6,879

Supplies

6,620

Meeting expense

1,715

Other

1,063

Total expenses

89,568

Change in net assets

11,744

Net assets, beginning of year

294,798

Net assets, end of year

\$306,542

See accountants' report.

**HESSMER VOLUNTEER FIRE DEPARTMENT, INC.**  
Hessmer, Louisiana

Statement of Cash Flows  
(Unaudited)  
For the year Ended December 31, 2003

Cash flows provided for operating activities:	
Change in net assets	<u>\$ 11,744</u>
Adjustments to reconcile change in net assets to net cash provided for operating activities -	
Depreciation	66,466
Increase in accounts receivable	2,552
Increase in accounts payable	<u>(836)</u>
Total adjustments	<u>68,182</u>
 Net cash provided for operating activities	 <u>79,926</u>
 Cash flows from investing activities:	
Purchase of equipment	<u>(67,188)</u>
 Total cash used for investing activities	 <u>(67,188)</u>
 Cash flows from financing activities:	
Increase in accrued interest payable	(254)
Payments on note payable	<u>(8,913)</u>
 Net cash provided from financing activities	 <u>(9,167)</u>
 Net increase in cash and cash equivalents	 3,571
Cash and cash equivalents, beginning of year	<u>17,488</u>
 Cash and cash equivalents, end of year	 <u>\$ 21,059</u>

See accountants' report.

HESSMER VOLUNTEER FIRE DEPARTMENT, INC.  
Marksville, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

Fire Department

The Hessmer Volunteer Fire Department, Inc. (Fire Department) 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 Fire Department 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 Fire Department serves approximately \$1,702 structures and meetings are held monthly. The following is a summary of certain significant accounting policies.

A. Financial Statement Presentation:

The Fire Department adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Fire Department 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) based upon the existence or absence of donor-imposed restrictions.

The Fire Department also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made" in accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. In addition, the Fire Department has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

C. Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.



HESSMER VOLUNTEER FIRE DEPARTMENT, INC.  
Marksville, Louisiana

Notes to Financial Statements (Continued)

D. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1st 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 Fire Department 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 \$25,000. Any remaining funds are distributed to the members on a basis of structures served.

E. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

F. Fixed Assets

Fixed assets acquired by the Fire Department are considered to be owned by it.

The Fire Department follows the practice of capitalizing, at cost, all expenditures for fixed assets. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Building and improvements	40 years
Furniture and equipment	10 years
Vehicles	10 years

The net fixed asset balance has been recorded as a separate component in unrestricted net assets.

(2) Deposits and Investments

Deposits

At year end, the carrying amount of the Fire Department's deposits were \$21,059 and the bank balance was \$24,035. Of the bank balance, \$24,035 was covered by federal depository insurance. Of this amount, \$20,660 was tax monies which is restricted to be expended on fire equipment and supplies.

**HESSMER VOLUNTEER FIRE DEPARTMENT, INC.**  
 Marksville, Louisiana

Notes to Financial Statements (Continued)

Certificates of Deposit

The Corporation had no Certificates of Deposit at December 31, 2003.

(3) Accounts Receivable

The Billed receivable balance at December 31, 2003 of \$55,771 consisted of property taxes due from the Fire Protection District No. 2 of \$54,471, and \$300 in contributions.

(4) Fixed Assets

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

	<u>Balance</u> <u>12/31/2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2003</u>
Land and buildings	\$ 136,302	\$ -	\$ -	\$ 136,302
Equipment	277,934	67,189	-	345,123
Trucks	<u>205,507</u>	<u>-</u>	<u>-</u>	<u>205,507</u>
	<u>\$ 619,743</u>	<u>\$ 67,189</u>	<u>\$ -</u>	<u>\$ 686,932</u>

(5) Changes in Long-term Debt

The following is a summary of note transactions of the Fire Department for the year ended December 31, 2003:

Notes payable at 12/31/02	\$ 101,800
Debt issued	-
Principal payments	<u>(8,913)</u>
Notes payable at 12/31/03	<u>\$ 92,887</u>

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

Notes payable at December 31, 2003 consist of the following individual liabilities:

\$110,000 secured note, dated July 18, 2001, bearing interest at 6.25% per annum. Final maturity date July 18, 2011. Annual payments of \$15,188.	<u>\$ 92,887</u>
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HESSMER VOLUNTEER FIRE DEPARTMENT, INC.  
Marksville, Louisiana

Notes to Financial Statements (Continued)

The annual requirements to amortize all notes outstanding at December 31, 2003 are as follow:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 9,384	\$ 5,803	\$ 15,187
2005	9,971	5,217	15,188
2006	10,594	4,594	15,188
2007	11,256	3,932	15,188
2008-2011	<u>51,682</u>	<u>8,238</u>	<u>59,920</u>
	<u>\$ 92,887</u>	<u>\$27,784</u>	<u>\$ 120,671</u>

(6) Retirement Commitments

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

(7) Commitments and Contingencies

As of December 31, 2003 there were no lawsuits against the Fire Department.

(8) Federal Grant

The District received a grant from FEMA in the amount of \$50,670 for the purchase of equipment. The total cost of the equipment was \$56,300 of which \$5,630 was paid by local funds.

**SUPPLEMENTAL INFORMATION**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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## ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Hessmer Volunteer Fire Department, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Hessmer Volunteer Fire Department, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2003 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedure engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### *Federal, State, and Local Awards*

1. Determine the amount of Federal, state and local award expenditures for the year by grant and grant year.

The Hessmer Volunteer Fire Department, Inc. received \$50,670 in grant revenue and expended this money in accordance with grant requirements.

### *Meetings*

2. Examine evidence indication that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12(the open meeting law).

Management provided us with copies of minutes taken at the monthly meetings and we observed the minutes taken at some of the meetings.

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### ***Comprehensive Budget***

3. For all grants exceeding five thousand dollars, determine that each applicable federal, state, or local grantor agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants that included specific goals and measures of performance.

Hessmer Volunteer Fire Department received one grant in excess of five thousand dollars for the purchase of fire equipment during the year ended December 31, 2003. The grant budget was maintained in accordance with grant requirements.

### ***Prior Comments and Recommendations***

4. Review prior year suggestions, recommendations, and/or comments and indicate the extent to which such matters have been resolved.

There were no prior year comments and/or suggestions to review.

### ***Other Compliance Matters***

5. Review expenditures paid with ad valorem tax monies to determine that expenditures were spent in accordance with the tax issue approved by voters.

We reviewed all expenditures paid with tax monies and noted all expenditures were for equipment, buildings, supplies and training in accordance with the ad valorem tax issue.

We were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Hessmer Volunteer Fire Department, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Entities)**

06/21/04

Kolder, Champagne, Slaven, and Company, LLC  
133 East Waddill Street  
P.O. Box 531  
Marksville, LA 71351

In connection with your compilation of our financial statements as of December 31, 2003 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

**Federal, State, and Local Awards**

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes  No [ ]

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes  No [ ]

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes  No [ ]

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes  No [ ]

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes  No [ ]

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [ ] No [ ]

**Prior Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes  No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you

documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

<u>Danelle G. Smith</u>	Secretary	Date <u>6-24-04</u>
<u>Danelle G. Smith</u>	Treasurer	Date <u>6-24-04</u>
<u>Robert May</u>	President	Date <u>6-24-04</u>