

157-1155130
99/12/19 11:08:39

OFFICE
FILE COPY

DO NOT REMOVE

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

**North Sabine Fire Protection District
Zwolle, Louisiana**

**Financial Statements and Supplemental Financial Information
Year Ended December 31, 1998
with
Reports of Certified Public Accountants
on Financial and Compliance Examination**

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 AUG 25 1999

VanRheenen & Miller, Ltd.
Certified Public Accountants
1309 East Race Avenue
Searcy, Arkansas 72143

TABLE OF CONTENTS

	PAGE
<u>Financial Section</u>	
Independent Auditors' Report	4
<u>General Purpose Financial Statements</u>	5
Combined Balance Sheet - All Fund Types and Account Groups	6
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	7
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types	8
Notes to the Financial Statements	9
<u>Supplemental Financial Information</u>	12
Schedule of Compensation Paid to Board Members	13
<u>Supplemental Financial Information - GASB Required Information</u>	14
Year 2000 Supplementary Information	15
<u>Non-Financial Section</u>	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	17
Schedule of Findings and Questioned Costs	18

FINANCIAL SECTION

Independent Auditors' Report

Board of Commissioners
North Sabine Fire Protection District
P.O. Box 81
Zwolle, LA 71486

We have audited the accompanying general purpose financial statements of North Sabine Fire Protection District as of December 31, 1998, and for the year then ended, as listed in the table of contents. These general purpose financial statements and the supplemental financial information referred to below are the responsibility of the entity's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of North Sabine Fire Protection District as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 9, 1999 on our consideration of North Sabine Fire Protection District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying financial information listed as supplemental financial information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of North Sabine Fire Protection District. Such supplemental financial information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in conformity with generally accepted accounting principles.

The supplemental financial information-GASB required information is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that North Sabine Fire Protection District is or will become year 2000 compliant, that North Sabine Fire Protection District's year 2000 remediation efforts will be successful in whole or in part, or that parties with which North Sabine Fire Protection District does business are or will become year 2000 compliant.

June 9, 1999

VanRheenen & Miller, Ltd.
VanRheenen & Miller, Ltd.
Certified Public Accountants

GENERAL PURPOSE FINANCIAL STATEMENTS

**North Sabine Fire Protection District
Zwolle, Louisiana**

**Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1998**

	<u>Governmental Fund Types</u>	<u>Account Groups</u>	<u>Memo Totals 1998</u>	<u>Memo Totals 1997</u>
	<u>Special Revenue</u>	<u>General Fixed Assets</u>		
<u>Assets and Other Debits</u>				
Assets:				
Cash	\$ 168,484.19	\$ -	\$ 168,484.19	\$ 152,275.96
Receivables:			-	
Taxes	139,297.18	-	139,297.18	164,817.96
Prepaid items	16,172.00	-	16,172.00	17,994.00
Fixed assets	-	1,046,886.24	1,046,886.24	889,756.48
	<u>323,953.37</u>	<u>1,046,886.24</u>	<u>1,370,839.61</u>	<u>1,224,844.40</u>
Total Assets and Other Debits	\$ 323,953.37	\$ 1,046,886.24	\$ 1,370,839.61	\$ 1,224,844.40
<u>Liabilities, Equity, and Other Credits</u>				
Liabilities:				
Accounts payable:				
Trade	\$ 4,988.80	-	\$ 4,988.80	\$ 4,332.61
Equity and Other Credits:				
Investment in general fixed assets	-	1,046,886.24	1,046,886.24	889,756.48
Fund balances:				
Reserved for prepaids	16,172.00	-	16,172.00	17,994.00
Unreserved, undesignated	302,792.57	-	302,792.57	312,761.31
	<u>318,964.57</u>	<u>1,046,886.24</u>	<u>1,365,850.81</u>	<u>1,220,511.79</u>
Total Equity and Other Credits	318,964.57	1,046,886.24	1,365,850.81	1,220,511.79
Total Liabilities, Equity and Other Credits	\$ 323,953.37	\$ 1,046,886.24	\$ 1,370,839.61	\$ 1,224,844.40

The accompanying notes are an integral part of the financial statements.

**North Sabine Fire Protection District
Zwolle, Louisiana**

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types
Year Ended December 31, 1998**

	<u>Governmental Fund Types</u>		
	Special Revenue	Memo Totals 1998	Memo Totals 1997
Revenues:			
Special assessment taxes	\$ 196,082.18	\$ 196,082.18	\$ 256,418.79
Insurance rebate	17,282.30	17,282.30	18,338.43
Interest	9,855.38	9,855.38	7,524.51
Miscellaneous	-	-	1,925.00
	<u>223,219.86</u>	<u>223,219.86</u>	<u>284,206.73</u>
Total Revenues			
Expenditures			
Current:			
Grants to Fire Departments	32,531.52	32,531.52	29,630.04
General government	44,873.32	44,873.32	40,687.99
Capital outlay	157,605.76	157,605.76	123,236.34
	<u>235,010.60</u>	<u>235,010.60</u>	<u>193,554.37</u>
Total Expenditures			
Excess of Revenues over (under) Expenditures	(11,790.74)	(11,790.74)	90,652.36
Fund balances, beginning of period	<u>330,755.31</u>	<u>330,755.31</u>	<u>240,102.95</u>
Fund Balance, end of period	<u>\$ 318,964.57</u>	<u>\$ 318,964.57</u>	<u>\$ 330,755.31</u>

The accompanying notes are an integral part of the financial statements.

**North Sabine Fire Protection District
Zwolle, Louisiana**

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - All Governmental Fund Types
Year Ended December 31, 1998**

	Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Special assessment taxes	\$ 190,000.00	\$ 196,082.18	\$ 6,082.18
Insurance rebate	16,000.00	17,282.30	1,282.30
Interest	3,000.00	9,855.38	6,855.38
Total Revenues	209,000.00	223,219.86	14,219.86
Expenditures			
Current:			
Administrative salaries	6,600.00	6,600.00	-
Board per diem	2,880.00	1,770.00	1,110.00
Professional fees	4,040.00	3,694.60	345.40
Training	5,000.00	1,152.51	3,847.49
Sundry administration	2,100.00	5,399.01	(3,299.01)
Utilities	4,350.00	3,148.38	1,201.62
Maintenance	3,000.00	5,362.08	(2,362.08)
Insurance	20,000.00	17,241.90	2,758.10
Employee benefits	1,010.00	504.84	505.16
Grants to fire departments	35,000.00	32,531.52	2,468.48
Capital expenditures	125,020.00	157,605.76	(32,585.76)
Total Expenditures	209,000.00	235,010.60	(26,010.60)
Excess of Revenues over (under) Expenditures	\$ -	(11,790.74)	\$ (11,790.74)
Fund balances, beginning of period		330,755.31	
Fund Balance, end of period		\$ 318,964.57	

The accompanying notes are an integral part of the financial statements.

**North Sabine Fire Protection District
Zwolle, Louisiana**

**Notes to the Financial Statements
December 31, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction.

The financial statements of the entity have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Such principles also conform to the requirements of Louisiana Revised Statutes 24:517 and the guidelines set forth in the Louisiana Municipal Audit and Accounting Guide.

The North Sabine Fire Protection district was incorporated for the purpose of providing fire protection to the residents of Wards 5-10 in the northern sector of Sabine Parish. The District provides funding from a 10 mill tax to various fire departments within Wards 5-10.

The following is a summary of significant accounting policies:

A. Reporting Entity.

The entity is a public corporation, legally separate, fiscally independent and governed by Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the financial position and results of operations of North Sabine Fire Protection District, a primary government. There are no component units to be included herewith, but this report does include all funds, account groups, and programs which are controlled by the entity's governing body.

B. Basis of Presentation.

1. **Funds and Account Groups.** The accounts of the entity are organized on the basis of funds or account groups, each of which is considered to be a separate accounting unit. The operations of each fund are reported as a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various accounts are grouped, in the financial statements in this report, into the following categories:

Governmental Fund Types

Special revenue fund - The special revenue funds are used to account for specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Account Groups

The account groups are used to account for fixed assets which are not reported in the respective governmental funds.

2. **Comparative Data.** Comparative total data for the prior year have been presented in some accompanying financial statements in order to provide an understanding of changes in the entity's financial position and operations. However, comparative data by fund type have not been presented in each of the statements since inclusion of such data would make the statements unduly complex and difficult to read.
3. **Total Columns on Combined Statements.** Total columns on the combined statements are captioned Memo Totals to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**North Sabine Fire Protection District
Zwolle, Louisiana**

**Notes to the Financial Statements (Continued)
December 31, 1998**

4. Fixed Assets. Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. No depreciation has been provided on such assets. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. The entity does not capitalize any "infrastructure" assets (streets, curbs, sidewalks, drainage system, and similar assets that are immovable) which are paid for by the entity.
5. Fund Balance Reservations. Special reporting treatment is also applied in governmental funds when inventories and prepaid items are present to indicate that they do not represent "available spendable resources", even though they are a component of net current assets. Such amounts are offset by fund balance reserve accounts.

C. Basis of Accounting.

Modified Accrual Basis of Accounting. All governmental fund types are accounted for using the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. All significant revenue sources are susceptible to accrual.

Expenditures in governmental fund types are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation and sick pay which are not accrued, and (2) principal and interest on general long-term debt which is reported as expenditures in the year due.

The entity does not utilize encumbrance accounting.

D. Budgetary Data.

1. Budget Policy and Practice. The entity follows these procedures in establishing the budgetary data reflected in the financial statements:

The entity prepares annual budgets for each fund. Prior to the beginning of each budget year, the entity's annual budget is approved by the entity's governing body. Budgetary amendments require approval by the governing body. Budget amounts shown in the financial statements are the final authorized amounts for the year. All budgetary appropriations lapse at the end of each fiscal year.

2. Encumbrances. Encumbrance accounting is not utilized by the entity.
3. Budget Basis of Accounting. The budgets are prepared on the cash basis of accounting.

E. Assets, Liabilities and Fund Equity.

Cash and Cash Equivalents. The entity defines cash to include certificates of deposit, money market funds, savings accounts, demand deposits, and other short-term securities with maturities of three months or less. Consequently, the cost, carrying value, and market value are equivalent.

F. Revenue, Expenditures and Expenses.

1. Compensated Absences. Vested and earned vacation and sick leave that are not accrued are reported in the general long-term debt account group. No expenditure is reported for those amounts. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.
2. Income Taxes. The entity is not subject to federal or state income taxes.

**North Sabine Fire Protection District
Zwolle, Louisiana**

**Notes to the Financial Statements (Continued)
December 31, 1998**

NOTE 2 - DEPOSITS

It is the entity's policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at December 31, 1998. The categories are described as follows:

- Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- Category 3 - Uncollateralized. (This includes bank balances that are collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the entity's name.)

Cash Deposits, categorized by level of risk, are:

Total Bank Balances	Category		
	1	2	3
\$ 187,732.17	\$ 187,732.17	\$.00	\$.00

NOTE 3 - AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied annually by Wards 5-10 of Sabine Parish in October using the assessed valued determined by the Sabine Parish tax assessor, and are billed to taxpayers in November. Current assessment is at ten mills. Amounts shown as taxes receivable are amounts collected by the Sabine Parish sheriff's office prior to December 31, 1998, but not remitted to North Sabine Fire Protection District until 1999.

NOTE 4 - FIXED ASSETS

Changes in fixed assets are as follows:

	Beg. of Period	Additions	Deletions	End of Period
Land, land impvts.	\$ 39,367.38	\$.00	\$.00	\$ 39,367.38
Building	124,236.99	3,065.76	.00	127,302.75
Equipment	726,152.11	154,540.00	476.00	880,216.11
Total	\$ 889,756.48	\$ 157,605.76	\$ 476.00	\$ 1,046,886.24

SUPPLEMENTAL FINANCIAL INFORMATION

**North Sabine Fire Protection District
Zwolle, Louisiana**

**Schedule of Compensation Paid to Board Members
For the Year Ended December 31, 1998**

	<u>1998</u>
Gary Rivers, President	\$ 300.00
Jim Veuleman, Vice-President	150.00
Larry A. Cryer, Secretary/Treasurer	210.00
Albert Ezernack, Commissioner	300.00
Jerry McDonald, Commissioner	360.00
Doug Williams, Commissioner	360.00
Craig Hagar, Commissioner	<u>90.00</u>
 Total compensation paid to board members	 <u>\$ 1,770.00</u>

SUPPLEMENTAL FINANCIAL INFORMATION -
GASB REQUIRED INFORMATION

**North Sabine Fire Protection District
Zwolle, Louisiana**

**Year 2000 Supplementary Information
December 31, 1998**

GASB Technical Bulletin No. 98-1 requires certain information to be disclosed regarding the impact of the Year 2000 (Y2K) on the processing of date dependent information by the computerized information systems being utilized by governmental entities.

GASB Technical Bulletin No. 99-1 further expounded on the disclosure requirements and methods of reporting. The disclosures that follow are intended to comply with these requirements:

It appears that the North Sabine Fire Protection District has addressed the potential impact of the Year 2000 (Y2K) on the processing of date-dependent information by the computerized information systems being utilized by the District. The PHA is in the implementation stage of compliance. All application software, operating systems, and computer hardware appear to be Y2K compliant. The Y2K Issue is the result of computer programs being written using two digits (rather than four) to define a year. This could result in miscalculations or system failures. The District spent \$4,852.75 during the 1998 year to make their application software, operating systems, and computer hardware Y2K compliant. *No significant additional costs will be required to make computer systems and other equipment Y2K compliant.*

NON-FINANCIAL SECTION

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of
General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

Board of Commissioners
North Sabine Fire Protection District
P.O. Box 81
Zwolle, Louisiana 71486

We have audited the general purpose financial statements of North Sabine Fire Protection District as of and for the year ended December 31, 1998, and have issued our report thereon dated June 9, 1999. 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 North Sabine Fire Protection District'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 those 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 items 1998-1.


Internal Control Over Financial Reporting

In planning and performing our audit, we considered North Sabine Fire Protection District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our 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 North Sabine Fire Protection District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 1998-1.

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 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. 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, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Commissioners, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

June 9, 1999



VanRheenen & Miller, Ltd.
Certified Public Accountants

**North Sabine Fire Protection District
Zwolle, Louisiana**

**Schedule of Findings and Questioned Costs
Year Ended December 31, 1998**

1998-1 Late Submission Audit Report

Criteria: Louisiana Revised Statutes (LSA-RS) 24:513 requires governmental audits to be submitted to the Legislative Auditor within six months after the fiscal year end.

Condition: The audit report was not submitted by June 30, 1999 in accordance with state law.

Effect: The District may be found in non-compliance with LSA-RS 24:513 and be subject to certain fines and other corrective action.

Recommendation: The District should submit its audit report within the statutory defined time frame.

Response: We have submitted the required report. Certain information was needed by our auditor prior to June 30, 1999 which was not returned to the auditor until after June 30, 1999. We will insure that all future required reports will be submitted to the Legislative Auditor within the required time frame.