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BERNICE VOLUNTEER FIRE DEPARTMENT, INC.

FINANCIAL STATEMENTS
AND
ACCOUNTANT'S REPORT

DECEMBER 31, 1998

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 MAY 05 1999

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general-purpose financial statements of the Bernice Volunteer Fire Department, Inc. as of and for the year ended December 31, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Bernice Volunteer Fire Department, Inc.'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 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 general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Bernice Volunteer Fire Department, Inc., 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 our report dated April 21, 1999, on our consideration of the Bernice Volunteer Fire Department, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Marcus Robinson and Hassell

Marcus, Robinson and Hassell
April 21, 1999

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1998

	<u>Government</u> <u>Fund Type</u> General <u>Fund</u>	<u>Account</u> <u>Group</u> General <u>Fixed Assets</u>
ASSETS		
Cash	319,904	0
Accounts Receivable	7,699	0
Marketable Securities (Note 3)	26,569	0
Fixed Assets (Note 4)	<u>0</u>	<u>173,600</u>
<u>TOTAL ASSETS</u>	<u>354,172</u>	<u>173,600</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Accounts Payable	405	0
Accrued Compensation	<u>1,423</u>	<u>0</u>
<u>TOTAL LIABILITIES</u>	1,828	0
FUND EQUITY		
Contributed Capital	31,773	0
Investments in General Fixed Assets	0	173,600
Unreserved and Undesignated	314,112	0
Unrealized Gain or Marketable Securities	<u>6,459</u>	<u>0</u>
<u>TOTAL FUND EQUITY</u>	<u>352,344</u>	<u>173,600</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>354,172</u>	<u>173,600</u>

See Notes to Financial Statements

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED DECEMBER 31, 1998

	<u>General Fund</u>
<u>REVENUES</u>	
Ambulance Fees	5,438
Town of Bernice Income	4,800
Union Parish Police Jury Income	5,832
Interest Income	15,264
Dividends	1,200
Donations & Memorials	<u>1,295</u>
<u>TOTAL REVENUE</u>	33,829
<u>EXPENDITURES</u>	
Current	
Volunteer Compensation	2,963
Auto and Fuel	1,588
Banquet	76
Dues and Subscriptions	85
Doctors & Medicine	632
Equipment Rental	182
Accounting	400
Miscellaneous Expense	5
Office Supplies	216
Repairs & Maintenance	6,374
Telephone	1,198
Ambulance Supplies	187
Station Supplies	1,571
Capital Outlay	<u>0</u>
<u>TOTAL EXPENDITURES</u>	<u>15,477</u>
<u>EXCESS REVENUES OVER EXPENDITURES</u>	18,352
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>295,760</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>314,112</u>

See Notes to Financial Statements

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL ALL GOVERNMENTAL FUND TYPES
YEAR ENDED DECEMBER 31, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Ambulance Fees	7,000	5,438	(1,562)
Town of Bernice Income	4,800	4,800	0
Union Parish Police Jury Income	5,000	5,832	832
Interest Income	12,000	15,264	3,264
Dividends	0	1,200	1,200
Donations & Memorials	<u>1,400</u>	<u>1,295</u>	<u>(105)</u>
<u>TOTAL REVENUE</u>	30,200	33,829	3,629
<u>EXPENDITURES</u>			
Current			
Volunteer Compensation	2,400	2,963	(563)
Auto & Fuel	2,000	1,588	412
Banquet	500	76	424
Dues & Subscriptions	85	85	0
Doctors & Medicine	200	632	(432)
Equipment Rental	0	182	(182)
Accounting	700	400	300
Miscellaneous	500	5	495
Office Supplies	150	216	(66)
Repairs & Maintenance	2,500	6,374	(3,874)
Telephone	1,000	1,198	(198)
Ambulance Supplies	500	187	313
Station Supplies	0	1,571	(1,571)
Capital Outlay	<u>500</u>	<u>0</u>	<u>500</u>
<u>TOTAL EXPENDITURES</u>	<u>11,035</u>	<u>15,477</u>	<u>(4,442)</u>
<u>EXCESS REVENUES OVER EXPENDITURES</u>	19,165	18,352	(813)
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>295,760</u>	<u>295,760</u>	<u>0</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>314,925</u>	<u>314,112</u>	<u>(813)</u>

See Notes to Financial Statements

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Bernice Volunteer Fire Department, Inc. Was incorporated on February 19, 1990, under the provisions of R.S. 1950, Title 12, Chapter 2. The Bernice Volunteer Fire Department, Inc. operates as a non-profit corporation. The Bernice Volunteer Fire Department, Inc. Provides the following services as authorized by its chapter: (1) to prevent and suppress fire and prevent the conflagration of property, (2) to conduct educational and informational programs, (3) to provide ambulance service.

Financial Reporting Entity - This report includes all funds and account groups which are controlled by or dependent on the Bernice Volunteer Fire Department, Inc.

Fund Accounting - The accounts of the Bernice Volunteer Fire Department, Inc. are organized on the basis of funds and account groups, each of which is considered a separate set of self-balancing accounts that comprise its expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund is grouped into one generic fund type and one broad fund categories as follows:

Governmental Funds:

General Fund

The General Fund is the general operating fund of the Bernice Volunteer Fire Department, Inc. It is used to account for all financial resources.

Fixed Assets and Long-Term Liabilities - The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term debt account group, not in the governmental funds.

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operation.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the general long-term debt account group.

Budgetary Accounting - Annually the Board of Directors adopts budgets. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the Board. All budgetary appropriations lapse at the end of each year.

Basis of Accounting - Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of measurements made, regardless of the measurement focus applied.

All governmental funds and the agency fund are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed gross receipts are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Bad Debts - Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles.

Encumbrance - No encumbrance accounting is in use.

NOTE 2 - CASH

Cash Flow Information - Supplemental disclosures of cash flow information:

Cash paid during the year for:

Interest	0
Income Taxes	0

Supplemental schedule of non-cash investing and financing activities:

There were no non-cash investing and financing activities for the year.

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 2 - CASH CONTINUED

Disclosure of Accounting Policy:

For the purpose of these financial statements, the Bernice Volunteer Fire Department, Inc. considers cash in checking accounts, savings accounts, and certificates of deposit to be cash and cash equivalents.

Cash is classified into three categories to give an indication of the level of risk assumed at year-end. Category 1 includes investments insured or registered or securities which are held by the Fire Department or its agent in the Fire Department's name. Category 2 includes uninsured or unregistered investments for which the securities are held by the bank or agent in the Fire Department's name. Category 3 includes uninsured or unregistered investments with the securities held by the bank or agent but not in the Fire Department's name.

The carrying amount of the Bernice Volunteer Fire Department, Inc.'s deposits with the financial institutions was \$319,913 and the book balance was \$319,904. The bank balance is categorized as follows:

	Category		
	1	2	3
Cash	268,649	51,264	0

NOTE 3 - MARKETABLE SECURITIES

Value at time of donation and fair market value of marketable securities at December 31, 1998 are as follows:

	Value at Donation	Unrealized Gain	Fair Market Value
Consolidated Natural Gas	473	259	731
Warner Lambert	10,862	4,175	15,038
Exxon	<u>8,775</u>	<u>2,025</u>	<u>10,800</u>
	<u>20,110</u>	<u>6,459</u>	<u>26,569</u>

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets:

Balance 1-1-98	173,600
Current Additions	0
Current Deletions	<u>0</u>
Balance 12-31-98	<u>173,600</u>

Included in general fixed assets are assets stated at estimated fair market value. The amount of estimated values total \$91,500.

NOTE 5 - PENDING LITIGATION

There is no pending litigation at December 31, 1998.

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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

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

We have audited the financial statements of the Bernice Volunteer Fire Department, Inc., as of and for the year ended December 31, 1998, and have issued our report thereon dated April 21, 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 the Bernice Volunteer Fire Department, Inc.'s 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 statements 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bernice Volunteer Fire Department, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
April 21, 1999

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
BERNICE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998

PART I - Summary of the Auditor's Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

During the year 1998, there was no federal financial assistance received by the Bernice Volunteer Fire Department, Inc.

PART II - Finding(s) relating to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:

NONE