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

Financial Statements and Supplemental Financial Information
Year Ended December 31, 1997
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 auditor, or reviewed, city and other appropriate public officials. The report is available for public inspection at the Cotton House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-15-98

Vaatheson & Miles, Ltd.
Certified Public Accountants
1206 East Race Avenue
Searcy, Arkansas 72143

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FINANCIAL SECTION

Independent Auditors' Report

Board of Commissioners
North Sabine Fire Protection District
P.O. Box 81
Zwettl, LA 71880

We have audited the accompanying general purpose financial statements of North Sabine Fire Protection District as of December 31, 1987 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. These 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, 1987, 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 May 20, 1988 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 auditing principles.

May 20, 1988


VanRheenen & Miller, Ltd.
Certified Public Accountants

GENERAL PURPOSE FINANCIAL STATEMENTS

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

**Condensed Balance Sheet - All Fund Types and Account Groups
December 31, 1997**

	<u>Governmental Fund Types</u>	<u>Account Groups</u>	<u>Minor Totals 1997</u>	<u>Minor Totals 1998</u>
	<u>Special Revenue</u>	<u>General Fixed Assets</u>		
Assets and Other Debits				
Assets:				
Cash	\$ 162,276.86	\$ -	\$ 162,276.86	\$ 168,334.43
Receivables:				
Accounts	-	-	-	6,888.00
Taxes	184,877.39	-	184,877.39	178,078.39
Prepaid items	17,894.80	-	17,894.80	13,747.00
Fixed assets	-	888,758.48	888,758.48	788,829.14
Total Assets and Other Debits	\$ 355,049.05	\$ 888,758.48	\$ 1,224,844.40	\$ 1,075,328.97
Liabilities, Equity, and Other Credits				
Liabilities:				
Accounts payable:				
Taxes	\$ 4,332.81	\$ -	\$ 4,332.81	\$ 8,680.48
Total liabilities	4,332.81	-	4,332.81	8,680.48
Equity and Other Credits:				
Investment in governmental assets	-	888,758.48	888,758.48	788,829.14
Fund balances:				
Reserved for prepaids	17,894.80	-	17,894.80	13,747.00
Unreserved, undesignated	312,761.31	-	312,761.31	328,558.90
Total Equity and Other Credits	330,716.31	888,758.48	1,218,111.79	1,098,825.09
Total Liabilities, Equity and Other Credits	\$ 335,049.12	\$ 888,758.48	\$ 1,224,844.40	\$ 1,075,328.97

See Accompanying Notes

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

**Condensed Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types
Year Ended December 31, 1997**

	<u>Governmental</u> <u>Fund Types</u>		
	<u>Special</u> <u>Revenue</u>	<u>Monie</u> <u>Totals</u> <u>1997</u>	
Revenues:			
Special assessment taxes	\$ 266,478.79	\$ 266,478.79	\$ 199,227.77
Insurance rebates	18,208.43	18,208.43	18,540.00
Interest	7,524.51	7,524.51	4,640.15
Miscellaneous	1,925.80	1,925.80	200.51
Total Revenues	<u>294,200.73</u>	<u>294,200.73</u>	<u>222,608.43</u>
Expenditures			
Current:			
Grants to Fire Departments	29,830.84	29,830.84	31,260.76
General Government	40,887.89	40,887.89	37,570.89
Capital outlay	123,200.34	123,200.34	148,403.89
Debt service:			
Principal	-	-	64,080.89
Interest	-	-	2,817.38
Total Expenditures	<u>193,919.07</u>	<u>193,919.07</u>	<u>283,933.81</u>
Other Financing Sources (Uses)			
Operating transfers in	-	-	60,817.36
Operating transfers out	-	-	(60,817.36)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Sources over (under) Expenditures and Uses	80,281.66	80,281.66	(61,325.38)
Fund balances, beginning of period	<u>240,702.85</u>	<u>240,702.85</u>	<u>302,028.23</u>
Fund Balances, end of period	<u>\$ 320,984.51</u>	<u>\$ 320,984.51</u>	<u>\$ 240,702.85</u>

See Accompanying Notes.

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

**Condensed Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - All Governmental Fund Types
Year Ended December 31, 1997**

	Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Special assessment taxes	\$ 90,000.00	\$ 298,478.79	\$ 208,478.79
Insurance rebate	10,000.00	18,308.40	8,308.40
Interest	5,000.00	3,024.95	(1,975.05)
Miscellaneous	-	1,000.00	1,000.00
Total Revenues	<u>105,000.00</u>	<u>320,812.14</u>	<u>215,812.14</u>
Expenditures			
Current			
Administration salaries	6,800.00	6,600.00	-
Board per diem	5,240.00	1,950.00	(3,290.00)
Professional fees	3,800.00	3,488.00	(412.00)
Training	5,800.00	4,951.50	(848.50)
Public administration	6,200.00	3,124.30	(3,075.70)
Utilities	2,600.00	2,244.44	(355.56)
Maintenance	3,600.00	788.60	(2,811.40)
Insurance	10,000.00	18,278.40	8,278.40
Employee benefits	900.00	684.94	(215.06)
Grants to fire departments	10,800.00	20,000.04	9,200.04
Capital expenditures	(24,240.00)	(23,228.34)	(911.66)
Total Expenditures	<u>108,000.00</u>	<u>183,504.32</u>	<u>(24,495.68)</u>
Other Financing Sources (Uses)			
Operating transfers out	(18,000.00)	-	(18,000.00)
Total Other Financing Sources (Uses)	<u>(18,000.00)</u>	<u>-</u>	<u>(18,000.00)</u>
Excess of Revenues and Sources over (or) Expenditures and Uses	<u>\$ -</u>	<u>\$ 137,307.82</u>	<u>\$ 137,307.82</u>
Fund balances, beginning of period		<u>140,381.95</u>	
Fund balances, end of period		<u>\$ 277,689.77</u>	

See Accompanying Notes.

North Sabine Fire Protection District
Zachry, Louisiana

Notes to the Financial Statements
December 31, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. **Organization:** The North Sabine Fire Protection district was incorporated for the purpose of providing fire protection to the residents of Wards 8-10 in the southern sector of Sabine Parish. The District provides funding from a 10 mill tax to various fire stations within Wards 8-10.
- B. **Financial reporting:** The financial reporting policies of the North Sabine Fire Protection District conform to generally accepted accounting practices as applicable to government. Such policies also conform to the requirements of Louisiana Revised Statutes 24:517 and the guidelines set forth in the Louisiana Municipal Audit and Accounting Guide and the industry audit guide, *Audit of State and Local Government Units*.

Specific accounting policies: The following is a summary of significant accounting policies:

1. **Financial reporting entity:** The entity is a public corporation, legally separate and fiscally independent. 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 isolated hereunder, but this report does include all funds, account groups, and programs which are controlled by the entity's governing body.
2. **Fund accounting:** 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 funds are grouped, in the financial statements in this report, into one generic fund type (governmental) and the following broad fund 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.

Special reporting treatment is also applied in governmental funds when 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.

3. **Fixed assets and long-term liabilities:** The accounting and reporting treatment applied to fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental fund types are accounted for on a spending "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 spending resources" during a period.

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 classifies capital as "infrastructure" assets: streets, curbs, sidewalks, drainage systems, and similar assets that are immovable which are paid for by the entity.

North Sabine Fire Protection District
Zachry, Louisiana

Notes to the Financial Statements (Continued)
December 31, 1997

The above-named account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with the measurement of results of operations.

4. **Basic of accounting.** All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as not current assets. All significant revenue sources are susceptible to accrual.

Expenditures in governmental fund types are generally recognized under the modified accrual basis of accounting unless 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 recognized when due.

The entity does not utilize encumbrance accounting.

5. **Comparative data.** Comparative total data for the prior year have not been presented in the 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 overly complex and difficult to read.

6. **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 represent 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.

- C. **Budget.** The budget for the year ended December 31, 1997, was approved by the District's governing body prior to the start of the fiscal year. Budget authority lapses at year end. No amendments were made to the original budget. Budget comparisons to actual expenditures are made monthly to the District's Board.

- D. **Income taxes.** The District is not subject to federal or state income taxes, nor is it required to file federal or state tax returns.

- E. **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.

NOTE 2 - AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are listed annually by Wards 5-18 of Sabine Parish in October using the assessed values determined by the Sabine Parish tax assessor, and are billed to taxpayers in November. Current assessment is, at ten mills. Amounts shown on taxes receivable are amounts collected by the Sabine Parish sheriff's office prior to December 31, 1997, but not remitted to North Sabine Fire Protection District until 1998.

NOTE 3 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

It is the entity's policy for deposits to be secured by collateral valued at market or par, whichever is less, less the amount of the Federal Deposit Insurance Corporation insurance. The entity's deposits are categorized to give an indicator of the level of risk assumed by the entity at December 31, 1997. The categories are detailed as follows:

North Sabine Fire Protection District
Deerisle, Louisiana

Notes to the Financial Statements (Continued)
December 31, 1987

- 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.

Cash Deposits, categorized by level of risk, are:

	Category		
Total Bank Balances	1	2	3
\$ 204,851.05	\$ 204,851.05	\$ 0.00	\$ 0.00

NOTE 4 - FIXED ASSETS

Changes in fixed assets are as follows:

	Beginning of Period	Additions	Deletions	End of Period
Land, land interest	\$ 29,927.29	\$ 10,443.13	\$.00	\$ 40,370.42
Building	124,298.89	.00	.00	124,298.89
Equipment	613,258.80	113,798.21	.00	727,057.01
Total	\$ 767,484.98	\$ 124,241.34	\$.00	\$ 891,726.32

SUPPLEMENTAL FINANCIAL INFORMATION

North Sabine Fire Protection District
Zachry, Louisiana

Schedule of Compensation Paid to Board Members
Year Ended December 31, 1997

	<u>1997</u>
Gary Rivers, President	\$ 300.00
James R. Stoufferman, Vice-President	300.00
Larry A. Geyer, Secretary/Treasurer	300.00
Allen Barnwell, Commissioner	300.00
Jerry McDermott, Commissioner	300.00
Doug Williams, Commissioner	<u>300.00</u>
Total Compensation Paid to Board Members	<u>\$ 1,800.00</u>

NONFINANCIAL 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 55
Zachry, LA 71488

We have audited the general purpose financial statements of North Sabine Fire Protection District as of and for the year ended December 31, 1997, and have issued our report thereon dated May 26, 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 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 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 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. 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 the Board of Commissioners, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.


Mark Vothkerry & Miller, Ltd.
Certified Public Accountants

May 20, 1998